

164

TRANSCRIPT OF RECORD

469241

Supreme Court of the United States

OCTOBER TERM, 1941

No. 321

STONITE PRODUCTS COMPANY, PETITIONER,

vs.

**THE MELVIN LLOYD COMPANY, AND J. A. ZURN
MFG. CO.**

**ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE THIRD CIRCUIT**

PETITION FOR CERTIORARI FILED JULY 30, 1941.

CERTIORARI GRANTED OCTOBER 13, 1941.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941

No. 321

STONITE PRODUCTS COMPANY, PETITIONER,

vs.

THE MELVIN LLOYD COMPANY

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES
CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

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Order allowing certiorari

[fol: 1]

**IN UNITED STATES DISTRICT COURT, WESTERN
PENNSYLVANIA**

DOCKET ENTRIES—Filed in U. S. C. C. A., January 23, 1941

8-9-40—Plaintiff's Complaint for Infringement of Patent filed.

8-9-40—Summons issued and forwarded with one copy of complaint to John E. Sloan, U. S. Marshal, Pittsburgh, Pa. for service on Lowe Supply Co., Erie, Pa. and summons issued and forwarded with one copy of complaint to U. S. Marshal, Philadelphia, Pa. for service on Stonite Products Company, Philadelphia, Pa.

8-12-40—Interrogatories to the defendant, Lowe Supply Co. under Rule 33 of the Federal Rules of Civil Procedure, filed.

8-12-40—Interrogatories to the defendant, Stonite Products Company under Rule 33 of the Federal Rules of Civil Procedure, filed.

8-16-40—Original summons in civil action received from the office of the United States Marshal, Philadelphia, Pa., and filed, with the following endorsement of service on defendants noted thereon: "I hereby certify and return, that on the 10th day of August, A. D. 1940, I received the within summons and served the same at Philadelphia, Pa., in my district, on August 12, 1940 on the Stonite Products Company, located at 4455 No. 5th Street, Phila., Pa., by handing a true and attested copy thereof, together with a copy of the complaint, to Mr. A. Younger, owner of the said Company, and making contents of the same known to him. As to Lowe Supply Co.—"not requested to serve." So answers—Joseph C. Reing, United States Marshal, By Clayton Keeney, Deputy United States Marshal."

9-4-40—Original summons in civil action received from the office of the United States Marshal, Pittsburgh, Pa. and filed, with the following endorsement of service on defendant noted thereon: "I hereby certify and return, that on the 22nd day of August, 1940, I received the within sum-[fol: 2] mons in civil action and complaint and served the same on the therein-named Lowe Supply Co., Erie, Pa.

by handing to and leaving a true and attested copy thereof with Frerick Freidman, Vice President of said Lowe Supply Co., personally, at his office 1301 State St., Erie, Pa., in said district on the 23rd day of August, 1940. John E. Sloan, United States Marshal, by J. Dempsey, Deputy United States Marshal."

8-31-40—Special appearance for the purpose only of submitting and arguing a Motion to Dismiss or Quash the Return of Service and to Extend Time for Filing Answer, filed by Caesar & Rivise, Attorneys at Law, 1321 Arch Street, Philadelphia, Pa.

8-31-40—Motion of Attorneys for Stonite Products Company, to Dismiss or Quash Return of Service and Extend Time for Filing of Answer together with Notice of Filing Motion, filed.

8-31-40—Affidavit of Alexander Younger, trading as Stonite Products Company filed, and same day statement of A. D. Caesar, Attorney for Alexander Younger, trading as Stonite Products Company, filed.

9-21-40—Special Appearance of David S. Gifford as attorney for Stonite Products Company, filed.

9-21-40—Memoranda of Hearing on Motion to Dismiss and Quash service, held before Judge Schoonmaker, filed.

10-16-40—Opinion of Judge F. P. Schoonmaker, reading in part as follows: "The motion to dismiss and quash the service as to defendant, Stonite Products Company, must be granted. An order may be submitted accordingly." filed.

[fol. 3] 10-22-40—Praecipe to enter default of Lowe Supply Co. in favor of the plaintiff, under Rule (a), filed.

10-22-40—Affidavit in Support of Praecipe for default against Lowe Supply Co., filed.

10-22-40—Petition to enter judgment by default, and for further relief, together with Decree of Court, dated October 17, 1940, granting the prayer of the petitioner, filed.

10-22-40—Writ of Perpetual Injunction, signed by Judge F. P. Schoonmaker, on October 17, 1940, filed.

10-25-40—Original Writ of Perpetual Injunction sent to John E. Sloan, the U. S. Marshal, Pittsburgh, Pa., for service on Lowe Supply Co., Erie, Pa.

11-16-40—Original Writ of Perpetual Injunction received from the office of the United States Marshal, at Pittsburgh,

Pa. and filed, with the following endorsement of service on the defendant, Lowe Supply Co., noted thereon: "I hereby certify and return that I served the annexed Perpetual Injunction on the therein-named Lowe Supply Company, Erie, Pa. by handing to and leaving a true and attested copy thereof with Frederick Friedman, vice president of said Lowe Supply Company, 1301 State St., Erie, Pa. personally at his place of business in said District on the 2nd day of November, A. D. 1940. (Signed) John E. Sloan, U. S. Marshal, by J. Dempsey, Deputy."

11-16-40—Order filed Quashing the Return of Service and Dismissing the Cause of Action as to the Defendant, Stonite Products Company, signed by United States District Judge Frederic P. Schoonmaker, on November 14, 1940, reading as follows: "This cause having been heard on the 21st [fol. 4] day of September, 1940, by motion of the defendant Stonite Products Company to dismiss the action as to the defendant Stonite Products Company on the ground that said defendant Stonite Products Company does not have a regular and established place of business within the Western District of Pennsylvania; or to dismiss the action or, in lieu thereof, quash the return of service of the summons as to the defendant Stonite Products Company on the ground of improper service of process and improper joinder of the defendant Stonite Products Company with the defendant Lowe Supply Company."

It is hereby ordered that the return of service be quashed and that the cause of action be dismissed as to said defendant Stonite Products Company, for the reason that the venue in this suit as against Stonite Products Company is not laid in the District where acts of infringement are alleged to have occurred and where the defendant Stonite Products Company has a regular and established place of business. (Signed) Frederic P. Schoonmaker, U. S. D. J. (Western District of Pennsylvania). Approved as to Form (Signed) Brooks, Curtze & Silin, Counsel for Plaintiffs. (Signed) Caesar and Rivise, Counsel for Defendant Stonite Products Company, Appearing Specially. To which the same the plaintiffs do except and an Exception is sealed to the Plaintiffs. (Signed) F. P. Schoonmaker, United States District Judge."

[fol. 5] DISTRICT COURT OF THE UNITED STATES FOR THE
WESTERN DISTRICT OF PENNSYLVANIA, ERIE DIVISION

Civil Action File No. 26-Erie

THE MELVIN LLOYD COMPANY and J. A. ZURN MFG. CO.,
Plaintiffs,

v.

STONITE PRODUCTS COMPANY and LOWE SUPPLY CO., Defendants

SUMMONS AND MARSHAL'S RETURN

To the above named Defendants:

You are hereby summoned and required to serve upon Brooks, Curtze & Silin, plaintiff's attorney, whose address is 1013 Erie Trust Building, Erie, Pennsylvania an answer to the complaint which is herewith served upon you, within twenty days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

G. H. Berger, Clerk of Court, by (Signed) Lyman C. Shreve, Deputy Clerk. (Seal of Court.)

Date: August 9, 1940.

Note—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

[Endorsed:] No. 26 Civil Action-Erie. District Court of the United States, Western District of Pennsylvania. The Melvin Lloyd Company and J. A. Zurn Mfg. Co. v, Stonite Products Company and Lowe Supply Co. Summons in Civil Action. Returnable not later than — days after service. Filed — o'clock — M., Aug. 16, 1940. Lyman C. Shreve, Deputy Clerk, U. S. Dist. Ct. for West. Dist. of Penna., Erie. Brooks, Curtze & Silin, Attorney for Plaintiff.

[fol. 6] RETURN ON SERVICE OF WRIT.

I hereby certify and return, that on the 10th day of August, A. D. 1940, I received the within summons and served the same at Philadelphia, Pa., in my district, on August 12, 1940, on the Stonite Products Company, located at 4455 N. 5th Street, Phila., Pa., by handing a true and

attested copy thereof, together with a copy of the complaint,—to Mr. A. Younger, Owner of the said Company, and making contents of the same known to him.

As to Lowe Supply Co.—“not requested to serve”.

So answers—

Joseph C. Reing, United States Marshal, by (Signed)
Clayton Keeney, Deputy United States Marshal.

Marshal's Fees

Travel	\$.36
Service	2.00
	<hr/>
	\$2.36

Subscribed and sworn to before me, a Deputy Clerk District Court, United States, Eastern District of Pennsylvania this 15th day of August, 1940.
(Signed) Robert T. Press, Deputy Clerk District Court United States, Eastern District of Pennsylvania. (Seal.)

Note—Affidavit required only if service is made by a person other than a United States Marshal or his deputy.

[fol. 7] DISTRICT COURT OF THE UNITED STATES, WESTERN PENNSYLVANIA

[Title omitted]

SUMMONS AND MARSHAL'S RETURN

To the above named Defendants:

You are hereby summoned and required to serve upon Brooks, Curtze & Silin, plaintiff's attorney, whose address 1013 Erie Trust Building, Erie, Pennsylvania an answer to the complaint which is herewith served upon you, within twenty days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

G. H. Berger, Clerk of Court, by (Signed) Lyman C. Shreve, Deputy Clerk. (Seal of Court.)

Date: August 9, 1940.

Note: This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

[Endorsed:] District Court of the United States, Western District of Pennsylvania. No. 26 Civil Action-Erie. The Melvin Lloyd Company and J. A. Zurn Mfg. Co. v. Stonite Products Company and Lowe Supply Co. Summons in Civil Action. Returnable not later than — days after service. Filed — o'clock M., Sept. 4, 1940. Lyman C. Shreve, Deputy Clerk, U. S. Dist. Ct. for West. Dist. of Penna., Erie. Brooks, Curtze & Silin, Attorney for Plaintiff.

[fol. 8] RETURN ON SERVICE OF WRIT

I hereby certify and return, that on the 22nd day of August 1940, I received the within summons in civil action and complaint and served the same on the therein-named Lowe Supply Co. Erie, Pa., by handing to and leaving a true and attested copy thereof with Frerick Freidman, Vice President of said Lowe Supply Co., personally, at his office 1301 State Street, Erie, Pa. in said District on the 23rd day of August, 1940.

(Signed) John E. Sloan, United States Marshal, by
J. Dempsey, Deputy United States Marshal.

Marshal's Fees

Travel	\$8.76
Service	2.00

\$10.76

Subscribed and sworn to before me, a — this —
day of — 19—. — (Seal.)

Note: Affidavit required only if service is made by a person other than a United States Marshal or his deputy.

[fol. 9] UNITED STATES DISTRICT COURT, WESTERN PENN-
SYLVANIA

[Title omitted]

COMPLAINT FOR INFRINGEMENT OF PATENT

1. Jurisdiction is founded on the fact that this suit arises under the patent laws, (R. S. Sec. 629 par. 9; Mar. 3, 1911,

c. 231, Sec. 24, par. 7, 36 Stat. 1092, Judicial Code, section 24; amended, 28 USCA section 4 (7)) that Lowe Supply Co. (hereinafter referred to as "Lowe") is an inhabitant of the Western District of Pennsylvania, that there are two defendants, residing in different districts of the State of Pennsylvania, to wit: the Eastern District of Pennsylvania and the Western District of Pennsylvania (R. S. Sec. 740; Mar. 3, 1881, c. 144, Sec. 2, 21 Stat. 507; Mar. 3, 1911, c. 231, Sec. 52, 36 Stat. 1101, Judicial Code Sec. 52, 28 USCA sec. 113) The Melvin Lloyd Company, (hereinafter referred to as "Lloyd") is a corporation duly organized and existing under the laws of the State of Ohio and has its principal place of business at Youngstown, Ohio. J. A. Zurn Mfg. Co. (hereinafter referred to as "Zurn") is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at Erie, Pennsylvania. Stonite Products Company (hereinafter referred to as "Stonite") resides in and is an inhabitant of Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, and as plaintiffs are informed, believe and expect to be able to prove is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at [fol. 10] Philadelphia, Pennsylvania. Lowe resides in and is an inhabitant of Erie, Pennsylvania in the Western District of Pennsylvania and as plaintiffs are informed, believe and expect to be able to prove is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at Erie, Pennsylvania.

2. On October 7, 1930 United States Letters Patent No. 1,777,759 were duly and legally issued to plaintiff, Lloyd, whose assignor was Galbraith S. Melvin as shown by an agreement shown as Exhibit "A" for an invention in a boiler stand; and since that date plaintiff, Lloyd, has been and still is the owner of those Letters Patent.

3. On or about March 14, 1931 plaintiff, Lloyd, and plaintiff, Zurn, made an agreement of exclusive License with right to sub-license in respect of said patent a true and correct copy of which is attached hereto, made a part hereof and marked Exhibit "B".

4. Plaintiffs are informed, believe and expect to be able to prove defendant, Stonite, after March 14, 1931 and prior

to June 15, 1940 entered into an agreement with defendant Lowe whereby Stonite agreed to sell to Lowe in Erie, Pennsylvania and Lowe in Erie, Pennsylvania agreed to buy from Stonite boiler stands which were infringements of said letters patent, and in pursuance to said agreement, Stonite sold to Lowe in Erie, Pennsylvania and Lowe in Erie, Pennsylvania purchased from Stonite such boiler stands.

5. Defendant, Stonite, has for a long time past been and still is infringing those Letters Patent by making, selling, and using boiler stands embodying the invention patented in said Letters Patent, and will continue to do so unless enjoined by this court.

[fol. 11] 6. The plaintiffs are informed, believe and expect to be able to prove defendant, Lowe, has for a long time past been and still is infringing those Letters Patent by selling and using boiler stands embodying the invention patented in said Letters Patent, and will continue to do so unless enjoined by this court.

7. Plaintiff, Zurn, has placed adequate notice, such as may be required in respect of its boiler stands, upon its catalogues and selling and advertising literature in respect of such boiler stands manufactured and sold by it under said Letters Patent, and plaintiffs have given written notice to defendant, Stonite, of its infringement.

Wherefore, plaintiff demands a preliminary and final injunction against further infringement by defendants and those controlled by defendants, an accounting for profit and damages, and an assessment of costs against defendant.

_____, _____, Attorneys for Plaintiffs, 1013
Erie Trust Bldg., Erie, Pa.

[fol. 12] EXHIBIT "A" TO COMPLAINT

(Sole Application—Filed—Entire Rights)

Lib. K145. Page 456.

Assignment of Inventions

For certain sufficiently valuable considerations, receipt of which is acknowledged, I hereby assign to The Melvin-Lloyd Company, of Youngstown, Ohio, a Corporation of Ohio, the heirs or successors and assigns thereof, all rights

in to and under my inventions disclosed in Application Serial Number 370,026, filed June 11, 1929, for United States patent on Improvements in Boiler Stand, together with said application and all divisions, renewals, or continuations thereof, and my rights in to and under all patents granted on said inventions by any countries. I warrant that I have full unencumbered ownership of the said inventions, unconditional rights to make this assignment, and that no license exists thereunder. I agree upon request, without further consideration, but without expense to me, to execute all papers and generally to do everything necessary to obtain and maintain patent protection for and exclusive enjoyment of said inventions by and for said assignee everywhere in the world.

Signed and sealed this 29th day of August, 1930.
(Signed) Galbraith S. Melvin. (Seal.)

Recorded: Transfers of Patents, U. S. Patent Office. Sug. 30, 1930. Liber K145. Page 456. Thomas E. Robertson.

COMMONWEALTH OF PENNSYLVANIA,
County of Allegheny, ss.:

On this 29th day of August, 1930, before me a Notary Public in and for said County and State, came the above named Galbraith S. Melvin, and acknowledged the foregoing assignment to be his voluntary act and deed, and desired the same to be recorded as such.

Witness my hand and official seal. (Signed) Edwin O. Johns, Notary Public. (Seal.) My Commission Expires March 7, 1933.

(Brown & Critchlow, Patent Attorneys, Pittsburgh.)

[fol. 13] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

MOTION TO DISMISS OR QUASH THE RETURN OF SERVICE AND
EXTEND TIME FOR FILING OF ANSWER

The defendant, Stonite Products Company, by its attorneys, Caesar and Rivise, appearing specially, moves the Court as follows:

(1) To dismiss the action as to the defendant, Stonite Products Company, on the grounds that this suit is in the

wrong district because this suit is brought under the Constitution and Laws of the United States relating to patents and the defendant, Stonite Products Company, is a resident of the City and County of Philadelphia in the State of Pennsylvania and does not have a regular and established place of business within the Western District of Pennsylvania.

(2) To dismiss the action or in lieu thereof to quash the return of the service of the summons on the grounds:

(a) That the defendant, Stonite Products Company, is a resident of the City and County of Philadelphia in the State of Pennsylvania, and was not and is not subject to the [fol. 14] service of process within the Western District of Pennsylvania.

(b) That the defendant, Stonite Products Company, has not been properly served with process in this action.

(c) That the defendant, Stonite Products Company, has been improperly joined with the defendant, Lowe Supply Co.

(Signed) Caesar and Rivise, Attorneys for Defendant Stonite Products Company, Appearing specially.

[fol. 15] DISTRICT COURT OF THE UNITED STATES, WESTERN PENNSYLVANIA

OPINION—Filed October 15, 1940

On Motion of Stonite Products Company to Dismiss this Action *to Dismiss this Action* for Lack of Jurisdiction and to Quash Service of Summons

SCHOONMAKER, Judge:

This is a patent-suit charging defendants with infringement of Melvin Patent No. 1,777,759 for a boiler-stand.

The complaint charges that defendant, Lowe Supply Company, is a resident of Erie; that the defendant, Stonite Products Company, is a resident of Philadelphia in the Eastern District of Pennsylvania; and that the acts of infringement occurred in this District.

The summons and complaint were served on defendant, Stonite Products Company, in Philadelphia in the Eastern

District of this state. Defendant has moved to dismiss this action and to quash the service of the summons and complaint on the ground that the court is without jurisdiction of this defendant.

The venue in patent suits is fixed by Tit. 28 U. S. C. A. Sec. 109 (Judicial Code Sec. 48), which provides

[fol. 16] "In suits brought for the infringement of letters patent, the district courts of the United States shall have jurisdiction, in law or in equity, in the district in which the defendant is an inhabitant, or in any district in which the defendant, . . . shall have committed acts of infringement and have a regular and established place of business."

The Supreme Court, in considering this section, has said:

"Section 48 relates to venue. It confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them. And that privilege may be waived."

However, in the instant case, there has been no waiver, and we must conclude that the defendant, Stonite Products Company, is not suable in this district in a patent-infringement case. This view is supported by *Moto Shaver vs. Schick Dry Shaver*, 100 Fed. (2nd) 236.

The plaintiffs urge that this court acquired jurisdiction over the defendant, Stonite Products Company, by service of the summons and complaint in Philadelphia, under the provisions of Tit. 28 U. S. C. A. Sec. 113 (Sec. 52 Judicial Code), which provides that in cases where there are more than one district in a state, and there are two or more defendants residing in different districts of the state, suit may be brought in either district, and a duplicate writ may be issued to the marshal of the other district and served there by the marshal; and the case shall then be proceeded with as one suit.

In our view, the statute does not apply to patent suits, because the venue in patent suits may be laid only in a district where the acts of infringement occurred, and where the infringer has a regular and established place of business. Such is not the case in the instant suit.

[fol. 17] Judge Dickinson of the Eastern District of Pennsylvania expressed the contrary view in *Zell vs. Erie Bronze*

Co., 273 Fed. 833. However, we cannot agree with that view. Counsel for plaintiff also cite the opinion of Judge Maris in *Nakken Patents Corporation vs. Westinghouse Electric & Manufacturing Co.*, 21 F. Supp. 336 as supporting their position. We have read this opinion, but cannot find that Judge Maris passed upon the question at all.

The motion to dismiss and quash the service as to defendant Stonite Products Company must be granted. An order may be submitted accordingly.

[fol. 18], DISTRICT COURT OF THE UNITED STATES, WESTERN
PENNSYLVANIA

Civil Action No. 26—Erie

THE MELVIN LLOYD COMPANY, and J. A. ZURN MFG. CO.,
Plaintiffs,

vs.

STONITE PRODUCTS COMPANY, and LOWE SUPPLY COMPANY,
Defendants

ORDER—November 14, 1940.

This cause having been heard on the 21st day of September, 1940, by motion of the defendant Stonite Products Company to dismiss the action as to the defendant Stonite Products Company on the ground that said defendant Stonite Products Company does not have a regular and established place of business within the Western District of Pennsylvania; or to dismiss the action or, in lieu thereof, quash the return of service of the summons as to the defendant Stonite Products Company on the ground of improper service of process and improper joinder of the defendant Stonite Products Company with defendant Lowe Supply Company;

It is hereby Ordered that the return of service be quashed and that the cause of action be dismissed as to said defendant Stonite Products Company, for the reason that the venue in this suit as against Stonite Products Company is not laid in the District where acts of infringement are [fol. 19] alleged to have occurred and where the defendant

Stonite Products Company has a regular and established place of business.

November 14, 1940.

(Signed) Frederick P. Schoonmaker, U. S. D. J.
(Western District of Pennsylvania).

Approved as to form:

(Signed) Brooks, Curtze & Silin, Counsel for Plaintiffs. (Signed) Caesar and Rivise, Counsel for Defendant Stonite Products Company, Appearing Specially.

To which the same the Plaintiffs do except and an Exception is sealed to the Plaintiffs.

(Signed) F. P. Schoonmaker, United States District Judge.

[fol. 20] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

NOTICE OF APPEAL—Filed December 14, 1940

Notice is hereby given that J. A. Zurn Mfg. Co., one of the Plaintiffs above named, hereby appeals to the United States Circuit Court of Appeals for the Third Circuit from the Opinion filed October 15, 1940 and from the Final Order and judgment quashing the return of service and dismissing the cause of action as to the Stonite Products Company, made November 14, 1940.

Dated: December —, 1940.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff: Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 21] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

STATEMENT OF POINTS ON WHICH APPELLANTS INTEND TO RELY

The list of points on which Appellants intend to rely are the following:

1. The Court had jurisdiction of all the parties.

2. The Court had jurisdiction of the subject matter.
3. The venue is proper.
4. The Motion to Dismiss or Quash the Return of Service and Extend Time for Filing of Answer, should have been denied.
5. The Final Order and judgment of November 14th, 1940 were in error.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff. Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 22] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

DESIGNATION FOR RECORD

We hereby designate the portions of the record, proceedings and evidence to be contained in the record on appeal as follows:

In addition to or without limiting the generality of what is required as a part of the record under Rule 75 (g) of the Federal Rules of Civil Procedure, the following:

Docket Entries.

Summons.

Complaint.

Return of Service of the Marshal of the United States District Court for the Eastern District of Pennsylvania, as to Summons and Complaint.

Motion to Dismiss or Quash the Return of Service and Extend Time for Filing of Answer, exclusive of paragraph 3 thereof and exclusive of the Exhibits therewith.

Opinion Filed October 15, 1940.

Final Order and Judgment of November 14th, 1940.

We hereby file this Designation for record under Rule 75 b of the Rules of Civil Procedure for the District Courts of the United States.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff. Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 23] IN THE UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE THIRD CIRCUIT

[Title omitted]

ARGUMENT AND SUBMISSION—March 20, 1941

And afterwards, to wit, the 20th day of March, 1941, come the parties aforesaid by their counsel aforesaid, and this case being called for argument sur pleadings and briefs, before the Honorable John Biggs, Jr., Honorable Albert B. Maris and Honorable Charles Alvin Jones, Circuit Judges, and the Court not being fully advised in the premises, takes further time for the consideration thereof,

And afterwards, to wit, on the 13th day of May, 1941, come the parties aforesaid by their counsel aforesaid, and the Court, now being fully advised in the premises, renders the following decision:

[fol. 24] UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

OPINION—Filed May 13, 1941

Before Biggs, Maris and Jones, Circuit Judges

MARIS, Circuit Judge:

Stonite Products Company was sued jointly with Lowe Supply Company in the District Court for the Western District of Pennsylvania for infringement of a patent for a boiler stand. Both defendants are Pennsylvania corporations. Each was served where it had its principal place of business, Lowe in the Western District, Stonite in the [fol. 25] Eastern District of Pennsylvania. Lowe defaulted and the suit proceeded to judgment against it. Stonite entered a special appearance and moved to dismiss or quash the return of service. The district court granted the motion, quashed the return of service and dismissed the cause of action as to Stonite for the reason that the venue as to it was not laid in the district where acts of infringement are alleged to have occurred and where Stonite has a regular and established place of business. 36 F. Supp. 29. This appeal followed.

The controversy centers about the construction of Sections 48 and 52 of the Judicial Code, the former dealing with venue in patent infringement suits, the latter a general statute as to venue in the district courts in those states which have been divided into two or more judicial districts. Section 48 (28 U. S. C. A. § 109) provides:

"In suits brought for the Infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought."

Section 52 (28 U. S. C. A. § 113) provides:

"When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there [fol. 26] are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State."

The question for our determination is whether Section 52 is applicable to patent cases as well as to all other cases not of a local nature or whether venue in patent cases must be determined solely under the provisions of Section 48. In other words, is Section 48 inconsistent with Section 52?

In determining whether these two sections are in conflict it is helpful to consider their legislative history and the reasons which led to their enactment. Section 48 was first enacted as the Act of March 3, 1897, 29 Stat. 695. In considering the reasons for its enactment some historical review is necessary. Section 11 of the Judiciary Act of September 24, 1789, c. 20, 1 Stat. 79, (§ 739 Rev. Stat.) permitted suit to be instituted in the federal courts against an inhabitant of the United States in any district in which he was an inhabitant or in which he was found at the time of serving the writ. This provision was continued in the Act of March 3, 1875, c. 137, § 1, 18 Stat. 470. The right to serve process upon a defendant in any district in which he chanced to be frequently placed the venue of an action in a district quite distant from the scene of the controversy and the residence of the parties, with resulting hardship to a defendant who had to defend a suit at a great distance from his home and the homes of his witnesses. It was to [fol. 27] remedy this hardship by limiting venue that Congress passed the Act of March 3, 1887, c. 373, 24 Stat. 552, in which it provided for the bringing of suit only in the district where the defendant was an inhabitant except where the jurisdiction was founded on the fact that the action was between citizens of different states, in which case suit could be brought in the district of the residence of either the plaintiff or the defendant. Although this act might readily have been construed as being applicable to all cases in which the circuit and district courts had jurisdiction¹ the Supreme Court stated in *In Re Hohorst*, 150 U. S. 653, that it did not apply to an alien or foreign corporation sued in the United States. By way of dictum the court stated that the act applied only to cases in which the federal courts had concurrent jurisdiction with state courts and was, therefore, inapplicable to a suit for infringement of a patent since the federal courts had exclusive jurisdiction over patent litigation.

¹ In *Allen v. Blunt*, 1 Blatchf. 480, Fed. Cas. No. 215, Justice Nelson sitting at circuit construed the venue provision of Section 11 of the Judiciary Act of September 24, 1789, 1 Stat. 79, as a general provision applicable to all suits in the federal courts, including a suit for the infringement of a patent.

After the decision of the Hohorst case there was considerable disagreement in the lower federal courts as to whether the dictum in that case went so far as to exclude patent litigation from the restricted venue prescribed by the Act of 1887. In 1895, however, the Supreme Court in *In Re Keasbey & Mattison Co.*, 160 U. S. 221, again by way of dictum once more stated that the Act of 1887 did not apply to patent litigation. Convinced by this reiteration the lower federal courts thereafter held that suit could be brought against a defendant in a patent infringement suit wherever process could be served upon him. *Westinghouse Air-Brake Co. v. Great Northern Ry. Co.*, 88 F. 258.

On March 3, 1897 Congress passed the act which afterward became Section 48 of the Judicial Code. It provided for the bringing of patent suits either in the district where the defendant was an inhabitant or in the district where the infringement took place and where the defendant maintained a regular and established place of business. This act brought the venue of patent litigation more nearly into line with that of all other suits in the federal courts. By reason of the peculiar nature of patent infringements, however, the act preserved the right to bring suit in any district where the defendant maintained a business place provided acts of infringement had taken place in that district. But the unrestricted right to bring suit wherever the defendant could be served was not retained. It will thus be seen that the Act of 1897 restricted rather than enlarged the venue previously existing in patent cases, although still retaining for such cases a wider venue than was permitted in other litigation. See the illuminating discussion of this subject by Judge Coxe in *Bowers v. Atlantic, G. & P. Co.*, 104 F. 887.

We now turn to the consideration of Section 52 of the Judicial Code which had its origin in the Act of May 4, 1858, c. 27, 11 Stat. 272. Originally the federal judicial districts were coextensive with the states. Section 2 of the Judiciary Act of 1789, 1 Stat. 73, provided for thirteen federal districts corresponding to the eleven states which first ratified the Constitution and the districts of Maine and Kentucky. Section 3 of the act created a court for each district. Within a few years Congress found it expedient to divide certain

of the states into two or more judicial districts.² In a state thus divided one who desired to sue a number of defendants living in the state found it necessary to bring more than one suit if the defendants did not all reside in the same district. However, the idea that state lines should be used to delimit venue jurisdiction in the federal courts still persisted. It is clear that Congress had this idea in mind when, in dividing the State of Alabama into two judicial districts by the Act of March 10, 1824, c. 28, § 6, 4 Stat. 10, it provided:

[fol. 29] "That all suits hereafter to be brought, in either of the courts aforesaid, not of a local nature, shall be brought only in the district where the defendant shall reside; but if there be more than one defendant, and some of them reside in the northern, and some in the southern district, the plaintiff may sue in either, and send a duplicate writ to the other, on which he shall endorse that it is part of a suit brought in the district from which it is sent; and the said writs, when executed and returned, shall constitute one suit, and be proceeded in accordingly."

Similar provisions were made in many later acts.³ In 1858 Congress passed the general act to the same effect which was afterwards incorporated into the Judicial Code as Section 52. Before the division of a state into judicial districts a plaintiff had the right to bring a single suit against any number of defendants residing anywhere within the state. The sole purpose of the Act of 1858 was to preserve to a

² Act of April 29, 1802, c. 31, § 7 (2 Stat. 162) three districts in North Carolina; Act of April 29, 1802, c. 31, § 16 (2 Stat. 165), two districts in Tennessee; Act of April 9, 1814, c. 49 (3 Stat. 120) two districts in New York; Act of April 20, 1818, c. 108 (3 Stat. 462) two districts in Pennsylvania; Act of February 21, 1823, c. 11 (3 Stat. 726) two districts in South Carolina; Act of March 3, 1823, c. 44 (3 Stat. 774) two districts in Louisiana.

³ Mississippi. Act of June 18, 1838, c. 115, § 4 (5 Stat. 248); Tennessee. Act of January 18, 1839, c. § 7 (5 Stat. 314); Alabama. Act of February 6, 1839, c. 20, § 5 (5 Stat. 315); Georgia. Act of August 11, 1848, c. 151, § 5 (9 Stat. 281); Iowa. Act of March 3, 1849, c. 124, § 3 (9 Stat. 411); Ohio. Act of February 10, 1855, c. 73, § 9 (10 Stat. 606). See *Petri v. Creelman Lumber Co.*, 199 U. S. 487, 498.

plaintiff, after the division of the state into judicial districts, the same right to bring one suit against any number of residents of the state, even though they might happen to live in different districts. The act eliminated any possible prejudice to a plaintiff resulting from the division of a state into judicial districts.

It will thus be seen that the Act of 1858 related only to venue in a geographical situation thought to require special treatment, whereas the Act of 1897 related solely to venue in a special type of case. That Congress considered the two acts to be consistent with each other may fairly be inferred from the fact that they were incorporated into the Judicial Code as Sections 52 and 48 respectively, without any suggestion that Section 52 which in terms applies to "every [fol. 30] suit" does not apply to a patent suit or that the venue for patent suits provided by Section 48 is to be deemed exclusive of the venue prescribed by Section 52 for all cases in those particular states which are divided into judicial districts. In this connection it is to be noted that Section 52 does expressly except from its purview suits of a local nature. The failure to include in the exception suits for patent infringement is a strong indication that such suits are intended to be governed by its provisions. Our historical review reveals that Congress has always accorded to patent litigants a broader venue than that extended to other civil litigants. In the light of this legislative history it hardly seems likely that Congress intended by the Act of 1897 to withdraw from patent litigants the state-wide venue which it had accorded from the beginning to all others. We find no support in the Judicial Code or in the statutes which preceded it nor do we see any basis in logic for the proposition that of all parties desiring to institute civil litigation a patent owner alone should be prejudiced by the fact that the state in which the alleged infringers of his patent reside has been divided into judicial districts.

We have seen that the subject matter of the two sections is distinct. Under these circumstances each should be given full effect if possible. In a broad sense, of course, each deals with the general problem of venue. If in this sense the sections may be deemed *in pari materia* they should be construed in harmony with each other so as to give effect to each, if reasonably possible. *The Star*, 16 U. S. (3 Wheat.) 78; *The United States v. Freeman*, 44 U. S. (3 How.) 556; *United States v. Stewart*, 311 U. S. 60. We think there is no

lack of harmony between Section 48 which provides that the judicial district of which the defendant is an inhabitant shall be the proper venue for a personal action brought for the infringement of a patent and Section 52 which in practical effect provides that where the defendants in any personal action reside in two or more judicial districts within a state [fol. 31] all the districts involved shall be treated as a single district for the purpose of venue jurisdiction over the defendants. Section 52 thus merely enlarges the meaning of the phrase "the district of which the defendant is an inhabitant" which appears in Section 48. We think that the construction of these sections of the Judicial Code was correctly indicated by Judge Dickinson in *Zell v. Erie Bronze Co.*, 273 F. 833, 837 (E. D. Pa.), as follows:

"The genesis of these several acts of Congress and the order in which they appear in the present Judicial Code are all consistent with this thought, that a defendant in any kind of a case may be sued in his own district; and there alone, except that where diversity of citizenship is a sole ground of jurisdiction he may also be sued, if service can there be had upon him, in the district of the plaintiff, and that in patent suits the infringer may be sued in the district in which he commits acts of infringement, if he there maintains an office, etc., that where there are several defendants the plaintiff may proceed against the defendant who is an inhabitant of the district in which the suit is brought, and if all of the defendants reside within the same state, although in different districts, they may all be sued in the district of any one of them, extra territorial service being made upon those out of the districts."

We conclude that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise. A different conclusion was reached by the Circuit Court of Appeals for the Ninth Circuit in *Motoshaver, Inc. v. Shick Dry Shaver, Inc.*, 100 F. 2d 236 (C. C. A. 9), but for the reasons already suggested we think that the court in that case in holding Section 52 inapplicable to patent cases failed to give that section its proper effect.

[fol. 32] The judgment of the district court is reversed and the cause is remanded with directions to reinstate the complaint against the defendant Stonite Products Company.

[fol. 33] IN THE UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE THIRD CIRCUIT, OCTOBER TERM, 1940

No. 7636

THE MELVIN LLOYD COMPANY and J. A. ZURN MANUFACTURING COMPANY, Appellant,

VS.

STONITE PRODUCTS COMPANY and LOWE SUPPLY COMPANY,
Defendants-Appellees

JUDGMENT—Filed May 13, 1941

On Appeal from the District Court of the United States, for
the District of Pennsylvania.

This cause came on to be heard on the transcript of record from the District Court of the United States, for the Western District of Pennsylvania, and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby reversed, with costs, and the cause is remanded to the said District Court with directions to reinstate the complaint against the defendant Stonite Products Company.

Philadelphia, May 13, 1941.

Albert B. Maris, Circuit Judge.

[File endorsement omitted.]

[fol. 34] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 35] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed October 13, 1941

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Third Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

(7941)

FILE COPY

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PHILADELPHIA

JUL 30 1941

CHARLES ELMOORE CROPLEY
CLERK

In the
SUPREME COURT OF THE UNITED STATES

October Term, 1941.

No. **321**

STONITE PRODUCTS COMPANY,

Petitioner,

vs.

THE MELVIN LLOYD COMPANY,

J. A. Zurn Mfg. Co.

Respondent.

PETITION FOR A WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the
Third Circuit.

CHARLES W. RIVISE,
Counsel for Petitioner,
1321 Arch Street,
Philadelphia, Pa.

A. D. Caesar,
Of Counsel.

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V. The Petition for Certiorari is Presented at This Stage, Because:

(a) If This Court Should Grant the Writ and Reverse the Decision of the Court Below, Prolonged and Costly Proceedings May Be Avoided.

(b) The Decision of the Court Below has Unsettled the Question of Venue in Patent Cases and the Public Interest Requires that the Question be Settled as Soon as Possible

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In the
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941.

No.

STONITE PRODUCTS COMPANY, *Petitioner,*

vs.

THE MELVIN LLOYD COMPANY, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI

**To the United States Circuit Court of Appeals for the
Third Circuit.**

*To the Honorable Chief Justice and Associate Justices of
the Supreme Court of the United States:*

Your petitioner, Stonite Products Company, by Charles W. Rivise, Esq., respectfully prays that a writ of certiorari issue to review a decision of the Circuit Court of Appeals for the Third Circuit entered May 13, 1941.

A transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with Rule 38 of the Rules of this Court.

OPINIONS BELOW.

The opinion of the District Court is reported at 36 Fed. Supp. 29; 47 U. S. Pat. Q. 339 (W. D. Pa. 1940).

The opinion of the Circuit Court of Appeals is reported at 119 Fed. Rep. (2nd) 883; 49 U. S. Pat. Q. 476 (C. C. A. 3, 1941).

JURISDICTION.

1. The decision of the Circuit Court of Appeals was entered on May 13, 1941.

2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. 347), and Section 5 (b) of Rule 38 of this Court:

QUESTION PRESENTED.

The only question involved is:

What is the proper venue for suing a defendant for patent infringement?

More particularly stated, the question is:

Is the Western District of Pennsylvania the proper venue for a suit for patent infringement against a resident of the Eastern District of Pennsylvania, who does not have a regular place of business in the Western District, but who has been made a co-defendant with a person who is a resident of said Western District.

STATUTES INVOLVED.

The statutes involved will be found in the Appendix, *infra*. pp. 14-15.

STATEMENT.

Your petitioner, Stonite Products Company, was sued jointly with, Lowe Supply Company in the District Court for the Western District of Pennsylvania for the alleged infringement of a patent (Patent No. 1,777,759 for a boiler stand).

Lowe Supply Company is an inhabitant of the Western District, and was served in said district. Lowe Supply Company defaulted and the suit proceeded to judgment against it.

Your petitioner is an inhabitant of the Eastern District of Pennsylvania, and does not have a regular and established place of business in the Western District, where the suit was filed.

Your petitioner was served in the Eastern District of Pennsylvania, and entered a special appearance and moved to dismiss or quash the return of service on the ground that the venue as to your petitioner was laid in the wrong district. The District Court granted the motion and dismissed the cause of action as to your petitioner. The respondent appealed, and the Circuit Court of Appeals reversed the decision of the District Court and remanded the cause with directions to reinstate the complaint against your petitioner.

REASONS FOR GRANTING THE WRIT.

Your petitioner respectfully prays that the writ be allowed for the following reasons:

1. The decision below is in direct conflict on an important point of Federal law (proper venue in patent cases) with the decision of the Circuit Court of Appeals for the Ninth Circuit in *Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 Fed. Rep. (2nd) 236 (C. C. A. 9, 1938).

2. The decision below is in conflict with the following applicable decisions of this Court:

In re Hohorst, 150 U. S. 633, 661;
In re Kearsbey & Mattison Co., 160 U. S. 221, 230.
General Electric Co. v. Marvel Rare Metals Co.,
 287 U. S. 430, 434, 435.

3. The decision below constitutes a radical departure from the law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.

4. The question presented is of great importance in that it concerns the proper venue in suits for patent infringement.

5. The petition for a writ of certiorari is presented at this stage of the case—after a decision remanding the cause to the District Court for trial—rather than after a final decision on the question of validity and infringement, because:

(a) If this Court should grant the writ and reverse the decision of the Court below, prolonged and costly proceedings may be avoided not only in the case at bar but also in other cases.

(b) The decision of the Court below has unsettled the question of venue in patent cases, and the public interest requires that the question be settled as soon as possible.

Wherefore, it is respectfully submitted that this petition for a writ of certiorari should be granted.

STONITE PRODUCTS COMPANY,
Petitioner.

By CHARLES W. RIVISE,
Counsel for Petitioner.

A. D. CAESAR,
Of Counsel.

In the
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941.

No.

STONITE PRODUCTS COMPANY, *Petitioner,*

vs.

THE MELVIN LLOYD COMPANY, *Respondent.*

BRIEF IN SUPPORT OF PETITION.

JURISDICTION.

1. The decision of the Circuit Court of Appeals now sought to be reviewed was entered on May 13, 1941.
2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. 347), and Section 5 (b) of Rule 38 of this Court.
3. The following cases are relied on as sustaining jurisdiction:

Rice & Adams Corp. v. Lathrop, 278 U. S. 509, 512.

Minerals Separation North American Corp. v. Magma Copper Co., 280 U. S. 400, 401.

Ensten et al. v. Simon, Ascher & Co., 282 U. S. 445, 449.

Nash-Breyer Motor Co. v. Burnet, Commissioner of Internal Revenue, 283 U. S. 483, 486.

General Electric Co. v. Marvel Rare Metals Co., 287 U. S. 430.

United States Trust Co. v. Commissioner of Internal Revenue, 296 U. S. 481, 482.

Mumm v. Jacob E. Decker, 301 U. S. 168, 169.

Neirbo v. Bethlehem Corp., 308 U. S. 165.

Klaxon Company v. Stentor Electric Mfg. Co., Inc., (Decided June 2, 1941), 49 U. S. Pat. Q. 515.

STATEMENT OF CASE.

To avoid repetition, reference is hereby made to the Statement on page *supra*, of the Petition.

SPECIFICATION OF ERRORS.

The following are the alleged errors of the Circuit Court of Appeals which will be urged before this Court:

1. That the Circuit Court of Appeals erred in holding that the provisions of Section 52 of the Judicial Code (28 U. S. C. 113), authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts, apply to patent suits to the same extent as to other non-local suits.

2. That the Court below erred in holding that an alleged infringer of a patent, despite the clear language of Section 48 of the Judicial Code (28 U. S. C. 109), may be sued in a district of which he is not an inhabitant and in which he does not have a regular and established place of business, merely by joining him with an alleged infringer who is an inhabitant of said district.

3. That the Court below erred in holding that the statement of this Court in *In re Hohorst*, 150 U. S. 653, as to the proper venue in patent cases was a mere dictum.

4. That the Circuit Court of Appeals erred in reversing the decision of the District Court and remanding the cause with directions to reinstate the complaint against your petitioner.

REASONS FOR GRANTING THE WRIT.

I.

The decision below is in direct conflict on an important point of Federal law (proper venue in patent cases) with a decision of the Circuit Court of Appeals for the Ninth Circuit.

On page 8 of its decision, the Court below states:

"We conclude that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise. A different conclusion was reached by the Circuit Court of Appeals for the Ninth Circuit in *Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 F. 2d 236 (C. C. A. 9), but for the reasons already suggested we think that the court in that case in holding Section 52 inapplicable to patent cases failed to give that section its proper effect."

It therefore clearly appears that the decision below is in direct and irreconcilable conflict with the cited decision of the Circuit Court of Appeals for the Ninth District.

There is ample authority to the effect that this Court will grant certiorari as of course in cases where two Circuit Courts of Appeal disagree on the same question. Reference is hereby made to the citations under the heading of Jurisdiction, pages 3-4 *supra*.

Reference is also made to Section 5 (b) of Rule 38 of this Court, where it is indicated that a conflict in decisions between two circuits is a reason for granting certiorari.

II.

The decision below is in conflict with several applicable decisions of this Court.

In each of the following cases, the Supreme Court clearly stated that the general statutes regarding venue do not apply to patent cases:

re Hohorst, 150 U. S. 653, 661.

In re Kearsbey & Mattison Co., 160 U. S. 221, 230.

And in *General Electric Co. v. Mangel Rare Metals Co.*, 287 U. S. 430, 434, 435, this Court clearly stated that Section 48 of the Judicial Code (28 U. S. C. 109) confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them, and that unless a defendant waives this privilege he cannot be sued in any other place.

In its decision, the Court below held that Section 52 of the Judicial Code (28 U. S. C. 113), which is a general statute regarding venue, applies to patent suits to the same extent as to other non-local suits, and that in accordance with said Section 52 a defendant in a patent suit may be sued over his protest in a place other than that specified in Section 48 of the Judicial Code (28 U. S. C. 109).

Hence, it is respectfully submitted that the decision below is in conflict with the cited decisions of this Court.

III.

The decision below constitutes a radical departure from the law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.

As stated on page 4 of the decision below, there was considerable disagreement in the lower Federal Courts as to the question of venue in patent cases until this Court's decision in *In re Keasbey & Mattison Co.*, 160 U. S. 221. As also stated by the Court below, the lower Federal Courts in reliance upon said decision thereafter uniformly held that the venue in patent cases is not governed by the general statutes regarding venue. *Westinghouse Air-Brake Co. v. Great Northern Ry. Co.*, 88 Fed. Rep. 258 (C. C. A. 2, 1898), is representative of cases to this effect arising before the enactment of Section 48 of the Judicial Code (28 U. S. C. 109), i. e. prior to March 3, 1897.

It is respectfully submitted that after the enactment of Section 48, the United States Courts continued to hold with substantial uniformity that the venue in patent suits is not governed by the general venue statutes. The following decisions are cited in support of this statement:

Motoshaver, Inc. v. Schick Dry Shaver, Inc., 100 Fed. Rep. (2nd) 236 (C. C. A. 9, 1938).

Gibbs v. Emerson Electric Mfg. Co., 31 Fed. Supp. 983 (W. D. Mo. 1940).

Gibbs v. Emerson Electric Mfg. Co., 29 Fed. Supp. 810 (W. D. Mo. 1939).

Cheatham Electric Switching Device Co. v. Transit Development Co., 191 Fed. Rep. 727 (E. D. N. Y. 1911).

The only case contra is that of *Zell v. Erie Bronz Co.*, 273 Fed. Rep. 833 (E. D. Pa. 1921). This case was very carefully considered but expressly not followed by the Circuit Court of Appeals for the Ninth Circuit in the *Motoshaver case, supra*.

Hence, it is thought to be clear that the decision sought to be reviewed represents a radical departure from the

law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.

IV.

The question presented is of great importance in that it concerns the proper venue in suits for patent infringement.

The proper venue in patent suits is of great importance, for the reason that a large proportion of the litigation in the Federal Courts involves patents. The question of venue arises in almost every suit, and because of the decision below it is likely to arise more and more frequently. This is especially so, since there are now two Circuit Courts of Appeals (the Third and the Ninth) which have reached exactly opposite conclusions.

There is ample authority for the granting of a writ of certiorari on the question of venue.

In *Nash-Breyer Motor Co. v. Burnett*, 283 U. S. 483, the Supreme Court granted certiorari to determine the proper venue for a review by the Circuit Court of Appeals of a decision of the Board of Tax Appeals. It is true that the respondent acquiesced in the grant of the writ, but it is not believed that acquiescence in a petition for certiorari can by itself give the Supreme Court jurisdiction.

In *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, this Court granted certiorari to review a decision on the question as to whether Section 48 of the Judicial Code (28 U. S. C. 109) precludes a counterclaim for patent infringement against a plaintiff, who is not an inhabitant of the district, and who has no regular and established place of business within the district and has not committed an act of infringement within the district.

In *Neirbo v. Bethlehem Corp.*, 308 U. S. 165, certiorari was granted to determine whether a corporation by register-

ing to do business in a state in which it is not incorporated waives its right not to be sued in the Federal Court sitting in that state.

V.

The petition for certiorari is presented at this stage, because:

(a) If this Court should grant the writ and reverse the decision of the Court below, prolonged and costly proceedings may be avoided not only in the case at bar but also in other cases.

(b) The decision of the Court below has unsettled the question of venue in patent cases, and the public interest requires that the question be settled as soon as possible.

The Circuit Court of Appeals has remanded the case to the District Court with directions to reinstate the complaint against your petitioner. It is within the discretionary power of this Court to grant certiorari at this stage rather than after a final decision on the question of validity and infringement.

In *American Construction Co. v. Jacksonville etc. Ry. Co.*, 148 U. S. 372, 385, this Court stated:

"...The only restriction upon the exercise of the power of this court, independently of any action of the Circuit Court of Appeals, in this regard, is to cases 'made final in the Circuit Court of Appeals', that is to say, to cases in which the statute makes the judgment of that court final, not to cases in which that court has rendered a final judgment. Doubtless, this power would seldom be exercised before final judgment in the Circuit Court of Appeals, and very rarely indeed before the case was ready for decision upon the merits in that court. But the question at what stage of the proceedings, and under what circumstances, the case should be required, by certiorari or otherwise, to be sent up for review, is left for the discretion of this court, as the exigencies of each case may require."

In *Forsyth v. Hammond*, 166 U. S. 506, 514, this Court stated:

"We reaffirm in this case the propositions heretofore announced, to wit, that the power of this court in certiorari extends to every case pending in the Circuit Court of Appeals, and may be exercised at any time during such pendency, provided that the case is one which but for this provision of the statute (Act of March 3, 1891, c. 517, 26 Stat. 826) would be finally determined in that court. And further, that while this power is coextensive with all possible necessities and sufficient to secure to this court a final control over the litigation in all the Courts of Appeal, it is a power which will be sparingly exercised, and only when the circumstances of the case satisfy us that the importance of the question involved, the necessity of avoiding conflict between two or more Courts of Appeal or between Courts of Appeal and the courts of a State, or some matter affecting the interests of this nation in its internal or external relations, demands such exercise." (Words in parenthesis and italics added.)

The following is a list of representative decisions in which this Court granted certiorari from a judgment of a Circuit Court of Appeals remanding the case to the District Court for trial without rendering final judgment:

Forsyth v. Hammond, *supra*.

Spiller v. Atchison, T. & S. F. Ry. Co., 253 U. S. 117, 121.

General Electric Co. v. Marvel Rare Metals Co., 287 U. S. 430, 431.

Alexander v. Hillman, 296 U. S. 222, 237.

Triplett v. Lowell, 297 U. S. 638, 640.

Suits for patent infringement are very expensive to the litigants, but what is more important they consume more than their proportionate share of the time at the disposal of the Federal Courts. Furthermore, the decision below has unsettled the question of venue in patent cases, and the

lower courts will in all likelihood be called upon with increasing frequency to pass upon the question.

We respectfully submit, therefore, that it is to the public interest that the question of venue in patent cases be reviewed by this Court at this stage of the proceeding. This is particularly so, since the question will eventually have to be settled by this Court.

CONCLUSION.

Your petitioner respectfully submits that the writ of certiorari prayed for in the accompanying petition should be granted, and that this Court should review the decision of the Circuit Court of Appeals for the Third Circuit.

Respectfully submitted,

CHARLES W. RIVISE,
Counsel for Petitioner.

A. D. CAESAR,
Of Counsel.

APPENDIX.**Section 48 of the Judicial Code (28 U. S. C. 109) :**

In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought.

Section 52 of the Judicial Code (28 U. S. C. 113) :

When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed

and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State.

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CHARLES ELMORE CROPLEY
CLERK

In the
SUPREME COURT OF THE UNITED STATES

October Term, 1941.

No. 321

STONITE PRODUCTS COMPANY,

Petitioner,

vs.

THE MELVIN LLOYD COMPANY,

and

J. A. ZURN MFG. COMPANY,

Respondents.

ON WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the
Third Circuit.

BRIEF FOR PETITIONER

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In the

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OCTOBER TERM, 1941.

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STONITE PRODUCTS COMPANY, *Petitioner,*

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**THE MELVIN LLOYD COMPANY and
J. A. ZURN MFG. COMPANY, *Respondents.***

**ON WRIT OF CERTIORARI
To the United States Circuit Court of Appeals
for the Third Circuit.**

BRIEF FOR PETITIONER.

OPINIONS BELOW.

The opinion of the District Court is reported at 36 Fed. Supp. 29 (R. 10-12).

The opinion of the Circuit Court is reported at 119 Fed. Rep. (2nd) 883 (R. 15-21).

JURISDICTION.

1. The decision of the Circuit Court of Appeals was entered on May 13, 1941.

2. The petition for certiorari was filed July 30, 1941, and was granted October 13, 1941.

3. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. 347), and Section 5 (b) of Rule 38 of this Court.

QUESTION PRESENTED.

The only question involved is:

May an alleged infringer of a patent, who resides in a state divided into judicial districts, be sued over his objection in one of the districts of said state in which he neither resides nor has a regular and established place of business, merely by joining him as a co-defendant with an alleged infringer who does reside in said district?

More particularly stated, the question is:

Is the Western District of Pennsylvania the proper venue for a suit for patent infringement against a resident of the Eastern District of Pennsylvania, who does not have a regular and established place of business in the Western District, but who has been made a co-defendant with a resident of said Western District?

STATUTES INVOLVED.

The statutes involved will be found in the Appendix, *infra*, pp. 21-22.

STATEMENT OF CASE.

Your petitioner, Stonite Products Company, was sued jointly with Lowe Supply Company in the District Court for the Western District of Pennsylvania for the alleged infringement of a patent (Patent No. 1,777,759 for a boiler stand).

Lowe Supply Company is an inhabitant of the Western District, and was served in said district. Lowe Supply Company defaulted and the suit proceeded to judgment against it.

Your petitioner is an inhabitant of the Eastern District of Pennsylvania, and does not have a regular and established place of business in the Western District, where the suit was filed.

Your petitioner was served in the Eastern District of Pennsylvania, and entered a special appearance and moved to dismiss or quash the return of service on the ground that the venue as to your petitioner was laid in the wrong district. The District Court granted the motion and dismissed the cause of action as to your petitioner. The respondents appealed, and the Circuit Court of Appeals reversed the decision of the District Court and remanded the cause with directions to reinstate the complaint against your petitioner.

SUMMARY OF CIRCUIT COURT'S DECISION.

The Circuit Court stated at the outset of its opinion that the controversy centers about the construction of Sections 48 and 52 of the Judicial Code (28 U. S. C. 109 and 113); the former dealing with venue in patent infringement suits and the latter being a general statute as to venue in the district courts of those states which have been divided into two or more judicial districts.

The Circuit Court reviewed the legislative history and the reasons which led to the enactment of said sections of the Judicial Code and concluded that Section 52 applies to patent cases to the same extent as to other cases not of local nature. Section 52 was therefore construed so as to enlarge the meaning of the phrase "the district of which the defendant is an inhabitant", which appears in Section 48. As a consequence, the Circuit Court decided that despite the clear and unambiguous language of Section 48, an alleged infringer of a patent may be sued in a district of which he is not an inhabitant and in which he does not have a regular and established place of business, *merely by joining him with an alleged infringer who is an inhabitant of said district.*

In reaching its decision, the Circuit Court apparently admitted that its reasoning was contra to statements of this Court in *In re Hohorst*, 150 U. S. 653, 661-662 and in *In re Keasbey & Mattison Co.*, 160 U. S. 221, 230, but characterized these statements as being merely *obiter dicta* and hence not binding.

SPECIFICATION OF ERRORS.

1. That the Circuit Court of Appeals erred in holding that the provisions of Section 52 of the Judicial Code (28 U. S. C. 113), authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts, apply to patent suits to the same extent as to other non-local suits.

2. That the Court below erred in holding that an alleged infringer of a patent, despite the clear language of Section 48 of the Judicial Code (28 U. S. C. 109), may be sued in a district of which he is not an inhabitant and in which he does not have a regular and established place of business, merely by joining him with an alleged infringer who is an inhabitant of said district.

3. That the Court below erred in holding that the statement of this Court in *In re Hohorst*, 150 U. S. 653, 661-662, as to the proper venue in patent cases was a mere dictum.

4. That the Circuit Court of Appeals erred in reversing the decision of the District Court and remanding the cause with directions to reinstate the complaint against your petitioner.

SUMMARY OF ARGUMENT.

POINT I. Venue in suits for patent infringement is controlled by Section 48 of the Judicial Code (28 U. S. C. 109).

POINT II. The meaning of the phrase "the district of which the defendant is an inhabitant", which appears in Section 48 is not enlarged by Section 52 of the Judicial Code (28 U. S. C. 112).

(a) Section 52 is a general venue statute and does not apply to patent suits.

(b) The history of Section 48 clearly shows that the general venue statutes were not intended to apply to patent suits.

(c) An interpretation of Section 52 to make it apply to patent suits would render portions of the section inconsistent with each other.

POINT III. The decision of the Circuit Court constitutes a radical departure from the law relating to venue as it has been applied with substantial uniformity for at least 45 years.

ARGUMENT.

POINT I.

Venue in suits for patent infringement is controlled by Section 48 of the Judicial Code (28 U. S. C. 109).

In *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, 434, this Court stated:

"Section 24 (7) of the Judicial Code is the source from which district courts derive jurisdiction of cases arising under the patent laws. Under that clause and until the enactment of §48 a suit for infringement might have been maintained in any district in which jurisdiction of defendant could be obtained. *In re Hohorst*, 150 U. S. 653, 661., And see *In re Keasbey & Mattison Co.*, 160 U. S. 221-230. Section 48 relates to venue. It confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them. And that privilege may be waived....." (Italics added.)

Section 48 restricts the venue in patent cases to the district of which the defendant is an inhabitant, or any district in which the defendant shall have committed acts of infringement and shall have a regular and established place of business.

As has been stated, the suit was filed in the Western District of Pennsylvania. Your petitioner (Stonite) is an inhabitant of the Eastern District of Pennsylvania and does not have a regular and established place of business in the Western District. Furthermore, your petitioner made timely objection. Hence, it is respectfully submitted that the District Court for the Western District of Pennsylvania did not acquire jurisdiction over your petitioner. (*W. S. Tyler Co. v. Ludlow-Saylor Wire Com.*, 7, 236 U. S. 723, 725.)

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POINT II.

The meaning of the phrase "the district of which the defendant is an inhabitant", which appears in Section 48 is not enlarged by Section 52 of the Judicial Code (28 U. S. C. 112).

The Circuit Court conceded that Section 48 precludes a patent suit against a defendant in a district *in which the defendant does not reside and does not have a regular and established place of business.*

The Circuit Court, however, took the novel (and we think erroneous) position that Section 52 enlarges the meaning of the phrase "the district of which the defendant is an inhabitant" to include several districts in the same state, *provided that alleged infringers in each of the districts are joined in a single suit in one of the districts.*

It is our position that the meaning of the phrase in question cannot be enlarged in the manner suggested for at least the reasons which will now be discussed.

(a)

Section 52 is a general venue statute and as such does not apply to patent suits.

Section 52 must be considered in connection with Section 51 (28 U. S. C. 112), as Section 51 specifically refers to Section 52.

Briefly stated, the pertinent portion of Section 51 provides that, except as provided in Section 52, no civil suit shall be brought in any district court against any person *in any other district than the one in which he resides.*

Section 52, insofar as it is pertinent to the present case, provides that when a state is divided into judicial districts,

every suit not of a local nature in a district court of the state must be brought in the district where the defendant resides; but if there are two or more defendants residing in different districts of the state, the suit may be brought in either district.

Section 51 is derived from the Act of March 3, 1887, and Section 52 is derived from the Act of May 4, 1858. Section 48 was first enacted March 3, 1897.

Prior to the Act of 1887 (Section 51) suit could be instituted against an inhabitant of the United States in the district of which he was an inhabitant or in which he was found at the time of serving the writ. The Act of 1887 restricted venue to the district in which the defendant was an inhabitant.

In 1893, the Supreme Court decided that the Act of 1887 applied only to cases in which the federal and state courts have concurrent jurisdiction, and hence did not apply to patent suits, of which the federal courts have exclusive jurisdiction. (*In re Hohorst*, 150 U. S. 653, 661). The Court therefore concluded that after the Act of 1887, just as prior thereto, a defendant in a patent suit could be sued wherever found. The *Hohorst* case was cited with approval in *In re Keasbey & Mattison Co.*, 160 U. S. 221, 229-230. As will hereinafter be pointed out, the Act of 1897 (Section 48) was passed by Congress for the express purpose of restricting venue in patent cases so that a defendant would not be subject to suit wherever found.

The Circuit Court refused to be bound by the statements in the *Hohorst* and *Keasbey & Mattison* cases as to venue in patent suits on the ground that these statements are merely *obiter dicta*.

It is respectfully submitted that the statements in question are not merely *obiter dicta*.

The *Hohorst* case clearly involved the question of venue in patent cases. This Court held that the general venue statutes did not apply for two reasons: First, that the defendant was an alien corporation, and hence it was not an inhabitant of any district. Second, that the suit was brought under the patent laws.

The Court could have effectively disposed of the question of venue on either ground. The fact that it gave both grounds made neither of them *dicta*. The second ground of the decision is certainly no more *dicta* than the first ground.

In *United States v. Title Insurance & Trust Company et al.*, 265 U. S. 472, 486, this Court stated:

".....The premise of the contention is right but the conclusion is wrong; for where there are two grounds, upon either of which an appellate court may rest its decision, and it adopts both, 'the ruling on neither is *obiter*, but each is the judgment of the court and of equal validity with the other'. *Union Pacific R. R. Co. v. Mason City & Fort Dodge R. R. Co.*, 199 U. S. 160, 166; *Railroad Companies v. Schutte*, 103 U. S. 118, 143." (Emphasis added.)

To the same effect is the following quotation from *Richmond Screw Anchor Company v. United States*, 275 U. S. 331, 340:

".....It does not make a reason given for a conclusion in a case *obiter dictum* that it is only one of two reasons for the same conclusion....."

Referring to the *Keasbey & Mattison* case, this was a suit under the trade-mark laws. The petitioner, being under the mistaken impression that the jurisdiction of the federal courts in trade-mark cases, as in patent cases, was exclusive and not concurrent, contended that the general venue statutes did not apply and that a defendant could be sued *where found*. This Court pointed out that the

jurisdiction of federal courts in trade-mark cases is concurrent and that the general venue statutes do apply.

The following language from this Court's decision in the *Keasbey & Mattison* case is thought to be particularly significant:

"In the case of *Hohorst*, petitioner, 150 U. S. 653, the decision was that the provision of the act of 1888, forbidding suits to be brought in any other district than that of which the defendant is an inhabitant, had no application to an alien or a foreign corporation sued here, and *especially in a suit for infringement of a patent right*; and therefore such a firm or corporation might be so sued by a citizen of a State of the Union in any district in which valid service could be made on the defendant. That case is distinguishable from the one now before the court in two essential particulars: First. It was a suit against a foreign corporation Second. *It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the Circuit Courts of the United States* by section 629, cl. 9, and section 711, cl. 5, of the Revised Statutes, reenacting earlier acts of Congress; and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several states." (Italics added.)

The quoted language is a clear indication that this Court did not consider its statements in the *Hohorst* case as being mere *dicta*. The same may be said of the following quotation from *General Electric Co. v. Marvel Rare Metals Co.*, 281 U. S. 430, 434:

".....until the enactment of §48 a suit for infringement might have been maintained in any district in which jurisdiction of defendant could be obtained. *In re Hohorst*, 150 U. S. 653, 661. And see *In re Keasbey & Mattison Co.*, 160 U. S. 221-230.."

Assuming for the purpose of argument that the state-

ments in the *Hohorst* case as to venue in patent cases were originally mere *dicta*, their repetition and approval by this Court in subsequent cases give them a much greater weight than usually accorded *dicta*.

To quote from 21 C. J. S. (Corpus Juris Secundum) Courts § 190 d:

"*Dicta* frequently repeated and approved may acquire thereby strength and importance as precedents."

The foregoing rule applies especially to the statements made in the *Hohorst* case, for, as will hereinafter be pointed out, these statements as to venue in patent cases have been accepted for at least forty-five years by almost every court that has considered the question.

Under somewhat similar circumstances, this Court, in *Missouri v. Ross, Trustee*, 299 U. S. 72, 75, referring to a statement in a prior case, stated:

"....It is true that this statement was not necessary to the decision; but it nevertheless correctly states our view as to the meaning of the clause under consideration, and is now definitely approved. *The decision in that case was made nearly thirty years ago, since which time the lower federal courts have almost uniformly followed the rule there stated.These decisions are plainly correct, but if they are doubtful, we should at this late date hesitate to disturb them.*" (Italics added.)

Before leaving this phase of the case, it is to be noted that in *Lumiere v. Mae Edna Wilder, Inc.*, 261 U. S. 174, 176, this Court definitely held that the general venue statutes do not apply to suits for copyright infringement. To quote from the late Justice Brandeis' opinion:

"The venue of suits for infringement of copyright is not determined by the general provision govern-

ing suits in the federal district courts. Judicial Code, § 51."

Manifestly, the reason for the foregoing decision is that the federal district courts have *exclusive jurisdiction* of copyright suits, and as was held in the *Hohorst* case the general statutes as to venue apply only to cases in which the federal and state courts have *concurrent jurisdiction*. Hence, the general venue statutes apply to trade-mark cases (*In re Keasbey & Mattison, supra*), but not to patent or copyright cases.

(b)

The history of Section 48 clearly shows that the general venue statutes were not intended to apply to patent suits.

As has been stated, prior to the Act of 1887 (Section 51) suit could be instituted against an inhabitant of the United States *in the district of which he was an inhabitant or in any district in which he was found*. The Act of 1887 restricted venue to the *district in which the defendant was an inhabitant*.

As we have seen, the Supreme Court in the *Hohorst* case held that the Act of 1887 applied only to cases in which the jurisdiction of the federal courts was concurrent with the courts of the several States. After this decision, there was considerable disagreement in the lower federal courts as to the question of venue in patent cases, until in the *Keasbey & Mattison* case, the Supreme Court again stated that the Act of 1887 did not apply to patent litigation. Thereafter, the lower federal courts on the authority of the *Hohorst* and *Keasbey & Mattison* cases held with substantial uniformity that defendants in patent cases could be sued wherever found (Circuit Court's opinion, R. 18).

However, principally because of the conflicting decisions prior to the *Keasbey & Mattison* case, there was considerable uncertainty as to the proper venue in patent cases. To remove this uncertainty, Congress passed the Act of 1897 (now Section 48), by the express terms of which a defendant in a patent case cannot be sued over his objection outside the district of which he is an inhabitant, *with the single exception of the district wherein he has a regular and established place of business and has committed an act of infringement.*

In support of the foregoing statement, reference is hereby made to the Congressional Record of February 16, 1897 (House of Representatives), pp. 1900-1901. Mr. Mitchell of the House Committee on Patents in explanation of the purpose of the Act of 1897 (now Section 48), stated:

"Mr. Speaker, the necessity for this law grows out of the acts of 1887 and 1888 which amended the judiciary act. Conflicting decisions have even arisen in the different districts in the same States as to the construction of these acts of 1887 and 1888, and there is great uncertainty throughout the country as to whether or not the act of 1887 as amended by the act of 1888 applied to patent cases at all.

"The bill is intended to remove this uncertainty and to define the exact jurisdiction of the circuit courts in these matters.

"The committee have been extremely careful in the investigation of the matter before reporting the bill.

"As the bill was referred to me, I wrote to a great many patent lawyers in different parts of the country, in order to get their views and objections, if any, and I find that they are all unanimously in favor of the bill as it is now reported, and state that it would tend not only to *define the jurisdiction of the circuit courts not now defined, but also limit that jurisdiction and so clearly define it that in the*

future there will be no question with regard to the application of the acts of 1887 and 1888.

* * * * *

".....The trouble has arisen in this matter that under the act of 1888 some of the courts were uncertain whether or not the law did or did not apply to patent cases, and therefore *this special bill relating to patents solely* has been brought up because of the indefiniteness and uncertainty arising from different constructions of the act of 1888 as applied to patent cases." (Italics added.)

As this Court held in *United States v. Great Northern R. Co.*, 287 U. S. 144, 154, and *Wright v. Mountain Trust Bank*, 300 U. S. 440, 463, in construing a particular statute about which there is some question, recourse may be had to its legislative history and to the statements made by those in charge of the bill during its consideration.

The legislative history of Section 48 and the statements made by Congressman Mitchell when the bill was favorably reported to the House of Representatives clearly indicate that it was the purpose of Congress to preclude a suit against a defendant in a district other than the one in which he resides, *with the single exception of a district in which he has a regular and established place of business and has committed acts of infringement.*

To enlarge the meaning of the phrase "the district of which the defendant is an inhabitant", appearing in Section 48, to include two or more districts in the same state would subject a defendant to a suit for patent infringement in a district in which he does not reside, and in which he has no regular and established place of business and has not committed an act of infringement. Such a construction of Section 48 would be contrary to the intent of Congress and would defeat the purpose for which the legislation was passed. It cannot, therefore, be the true construction.

For, as was stated by this Court in *Haggar v. Helvering*, 308 U. S. 389, 394:

"All statutes must be construed in the light of their purpose....."

Had Congress intended that the words "the district of which the defendant is an inhabitant", appearing in Section 48, should be interpreted to mean "two or more districts in the same state", Congress would certainly have expressed that intention in unmistakable language. This is particularly so, since Section 52 was in existence long prior to the enactment of Section 48 in 1897, and there is no suggestion in the Congressional Record that Congress intended that an alleged infringer be sued in any part of the state wherein he resides, *except in the district of which he is an inhabitant or in which he has a regular and established place of business and has committed an act of infringement.*

(c)

An interpretation of Section 52 to make it apply to patent suits would render portions of the section inconsistent with each other.

The first sentence of Section 52 consists of two parts. The first part states:

"When a State contains more than one district, *every suit not of a local nature*, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; " (*Italics added.*)

This part of Section 52 is obviously inconsistent with Section 48. For, it states that a single defendant cannot be sued *outside of his own district*, whereas Section 48 states that in a patent suit a defendant may be sued either in his own district or in *any district where he has a reg-*

ular and established place of business and has committed an act of infringement.

The second part of the first sentence of Section 52 states:

"...but if there are two or more defendants, residing in different districts of the State, it may be brought in either district....."

The Circuit Court in its decision held that because of the words "every suit not of a local nature" in the first part of the sentence, the second part applied to patent suits (R. 20-21). This construction leads to rather a curious conclusion. Because of the words "every suit etc." in the first part of the sentence, which part cannot possibly apply to patent suits, the second part of the sentence is made to apply to patent suits. Such a construction of the sentence renders the two parts thereof inconsistent with each other, and hence cannot be the true one. (*Perrine v. Chesapeake & D. Canal Co.*, 9 How. (50 U. S.) 172, 187.)

It follows, therefore, that the words "every suit not of a local nature" do not include "patent suits". In fact, as we have seen, the general venue statutes (including both Sections 51 and 52) were intended to apply only to cases in which the federal courts have concurrent jurisdiction with the state courts. Federal jurisdiction in both patent and copyright cases is exclusive of the state courts.

What has been said on this phase of the case finds judicial support in *Cheatham Electric Switching Device Co. v. Transit Development Co.*, 191 Fed. Rep. 727, 731 (E. D. N. Y. 1911).

Referring to the Act of 1897 (now Section 48) and Section 740 (now Section 52), the Court stated:

"It may be assumed that the word 'defendant' in the statute of 1897 covers more than one party defendant, if there be joint infringers who can be sued in the same district. Under the law of 1897, an ac-

tion for the infringement of a patent can be brought against a party not a resident of the district, but infringing therein, and having a regular place of business therein. The first part of section 740 (that is the provision relating to the bringing of a suit against a single defendant in the district where he resides) would be inapplicable or would have no effect (because opposed to the statute of 1897) in the case of a non-resident, who had a place of business in the district of infringement. The reasoning in the cases of *In re Hohorst* and *Keasbey & Mattison Co., supra.*, would seem to make it follow that the second part of section 740 cannot be taken away from the first part of that section and applied by itself to patent suits merely because there may be more than one infringer who resides in another district of the same state, or has a regular place of business there. The instances in which the joint infringer is a citizen of the same state, rather than of an adjoining state, must be so few in number that it is unnecessary to do violence to the language of the statute for the sake of making it fit this particular action."

POINT III.

The decision of the Circuit Court constitutes a radical departure from the law relating to venue as it has been applied with substantial uniformity for at least 45 years.

As conceded by the Circuit Court (R. 18, lines 5-11), since the decision of this Court in *In re Keasbey & Mattison Co.*, 160 U. S. 221, the lower federal courts have held with substantial uniformity that Section 51 (one of the general venue statutes) does not apply to *suits for patent infringement*. Also this Court in *Lumiere v. Mac Ednae Wilder, Inc.*, 261 U. S. 174, 176, definitely held that Section 51 does not apply to *suits for copyright infringement*.

In each of the following cases, it was definitely held that Section 52 does not apply to *patent cases*:

Cheatham Electric Switching Device Co. v. Trans. it Development Co., 191 Fed. Rep. 727 (E. D. N. Y. 1911).

Gibbs v. Emerson Electric Mfg. Co., 29 Fed. Supp. 810 (W. D. Mo. 1939).

Gibbs v. Emerson Electric Mfg. Co., 31 Fed. Supp. 983 (W. D. Mo. 1940).

Motoshaver, Inc. v. Schick Dry Shaver, Inc., 100 Fed. Rep. (2d) 236 (C. C. A. 9, 1938).

It has also been definitely held that Section 52 does not apply to copyright cases (*Salvatori v. Miller Music, Inc.*, 35 Fed. Supp. 845 (E. D. N. Y. 1940)).

The only case other than the one at bar in which it was held that Section 52 does apply to either patent or copyright cases is that of *Zell v. Erie Bronze Co.*, 273 Fed. Rep. 833 (E. D. Pa. 1921).

As was pointed out in the *Motoshaver* case, the late Judge Dickinson's decision in the *Zell* case was based upon the premise that prior to the enactment of Section 48 in 1897, infringers could be sued in any district wherever found, a premise which was held erroneous by this Court in *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, 434.

To quote from the *Motoshaver* case:

"The court's reasoning in the *Zell* case is stated (pages 837, 838): '.....Had the act of 1897 been passed when infringers were suable in any district where found, the provision of the act limiting the venue to the district of the infringers and the district in which acts of infringement were committed and an office maintained, it might well be viewed as a restriction of the right of action against them. Inasmuch, however, as at the time the act was passed infringers could be sued only in the court of their own district, the addition of another court in which they were liable to process cannot be regarded as a

restriction, but an extension, of the rights of the plaintiff, and sections 51 and 52 gave further relief to plaintiffs broadly in all cases.'

"The *Zell* case was decided long before the Supreme Court's decision in the *General Electric* case. The statement in the *Zell* case that if prior to the Act of 1897, Section 48 Judicial Code, infringers could have been sued in any district where found (for service), that Act might be viewed as a restriction of the venue is correct. And since the *General Electric* case states they could have been so sued, we hold that the venue in patent cases is determined by Section 48 and that Section 52 does not enlarge it....." (Emphasis added.)

The only diverse decision having been based upon an erroneous premise as to venue in patent cases prior to the enactment of Section 48, it is respectfully submitted that the doctrine approved in *United States v. Ryan*, 284 U. S. 167, 174 applies.

In the cited case, this Court referring to a federal statute, stated:

"If the point were more doubtful, we should hesitate to set aside, at this late date, the uniform construction given to the section with respect to this question by the lower federal courts for more than sixty years..."

To the same effect is this Court's decision in *Wright v. Central of Georgia R. Co.*, 236 U. S. 674.

The cited cases have particular application to the present situation. For the decision of the Circuit Court constitutes a radical departure from the law relating to venue in a very important class of cases.

CONCLUSION.

We therefore respectfully submit that the decision of the Circuit Court is erroneous and should be reversed.

Respectfully submitted,

CHARLES W. RIVISE, "
Counsel for Petitioner.

A. D. CAESAR,
DAVID S. GIFFORD,
Of Counsel.

APPENDIX.

Section 24 of the Judicial Code (28 U. S. C. 41):

The district courts shall have original jurisdiction as follows:

• • • • •

Seventh. Of all suits at law or in equity arising under the patent, the copyright, and the trade-mark laws.

Section 48 of the Judicial Code (28 U. S. C. 109):

In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, *in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business.* If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought. (Italics added.) (Mar. 3, 1897, c. 395, 29 Stat. 695; Mar. 3, 1911, c. 231, § 48, 36 Stat 1100).

Section 51 of the Judicial Code (28 U. S. C. 112):

Except as provided in sections 113 to 117 no person shall be arrested in one district for trial in another, in any civil action before a district court; and *except as provided in sections 113 to 118 of this title, no civil suit shall be brought in any district court against any person by any original process or pro*

ceeding in any other district than whereof he is an inhabitant; but where jurisdiction is founded only the fact that the action is between citizens of different States, suit shall be brought only in the district of the residence of either the plaintiff or the defendant, except that suit by a stockholder on behalf of a corporation etc..... (Italics added.)

(R. S. 739; Mar. 3, 1875, c. 137, § 1, 18 Stat. 470; Mar. 3, 1887, c. 373, § 1, 24 Stat. 552, Aug. 13, 1888, c. 866, § 1, 25 Stat. 433; Mar. 3, 1911, c. 231, § 51, 36 Stat. 1101; Sept. 19, 1922, c. 345, 42 Stat. 849; Mar. 4, 1925, c. 526, § 1, 43 Stat. 1264; Apr. 16, 1936, c. 230, 49 Stat. 1213).

Section 52 of the Judicial Code (28 U. S. C. 113):

When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State. (Italics added.) (Act of May 4, 1858, c. 27, § 1, 11 Stat. 272; Feb. 24, 1863, c. 54, § 9, 12 Stat. 662; R. S. 740; Mar. 3, 1881, c. 144, § 2, 21 Stat. 507; Mar. 3, 1911, c. 231, § 52, 36 Stat. 1101).

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CHARLES ELMORE DOOLEY

In the
SUPREME COURT OF THE UNITED STATES

October Term, 1941.

No. 321

STONITE PRODUCTS COMPANY,

Petitioner,

vs.

THE MELVIN LLOYD COMPANY,

and

J. A. ZURN, MFG. COMPANY,

Respondents.

ON WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the
Third Circuit.

REPLY BRIEF FOR PETITIONER

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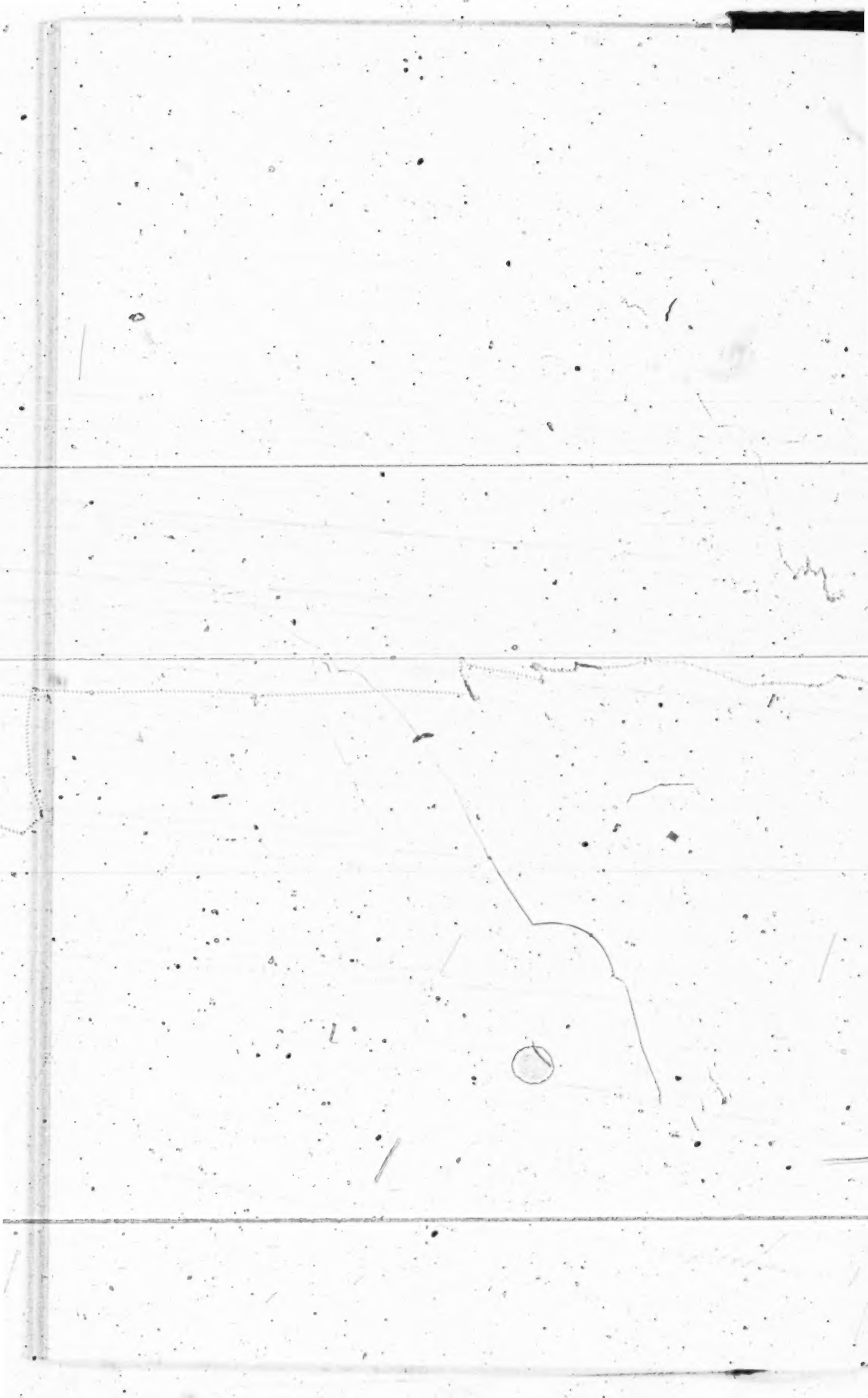
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In the
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941.

No. 321.

STONITE PRODUCTS COMPANY, *Petitioner*,

vs.

THE MELVIN LLOYD COMPANY and
J. A. ZURN MFG. COMPANY, *Respondents*.

ON WRIT OF CERTIORARI
To the United States Circuit Court of Appeals for the
Third Circuit.

REPLY BRIEF FOR PETITIONER.

PREFACE.

Respondents' brief contains many contentions which we believe to be unsound and fallacious. We are therefore filing this brief in accordance with Rule 27 (4) in order briefly to answer the more important of Respondents' erroneous arguments.

SUMMARY OF REPLY ARGUMENT.

POINT I. Fact that Act of 1897 did not repeal Act of 1858 does not mean that Section 52 applies to patent cases.

POINT II. History of venue statutes does not show Congressional intention that Section 52 should apply to patent cases.

POINT III. Petitioner's contentions have ample basis in Supreme Court decisions.

POINT IV. Contrary to Respondents' contention, rules of statutory construction favor Petitioner's position with respect to venue statutes.

POINT V. Since Respondents admit that Section 51 does not apply to patent suits, they cannot logically contend that Section 52 applies to such suits.

ARGUMENT.

POINT I.

Fact that Act of 1897 did not repeal Act of 1858 does not mean that Section 52 applies to patent cases.

Respondents' principal argument may be briefly summarized as follows:

The Act of 1897 (now Section 48 of the Judicial Code) did not expressly or impliedly repeal the Act of 1858 (now Section 52 of the Judicial Code). Hence, Section 52 applies to patent suits to the same extent as it does to other cases not of a local nature.

This line of reasoning is obviously fallacious. For, it assumes that the Act of 1858 applied to patent suits *before the Act of 1897 was passed*. This assumption can be readily shown to be erroneous.

The Act of 1887 (now Section 51) specifically provided that a defendant could be sued *only in his own district*. As admitted by Respondents (Page 10 of their brief), this Court in *In re Hohorst*, 150 U. S. 653 (1893), held that despite the Act of 1887, a defendant in a patent suit could be sued *wherever found*. The first part of the Act of 1858 like the Act of 1887 states that a defendant must be sued *in his own district*. Hence, on the authority of the *Hohorst case*, it can be said that before the passage of the Act of 1897, the Act of 1858, contrary to Respondents' assumption, did not apply to patent suits.

In view of what has been said, it is not considered necessary to discuss the many decisions cited in Respondents' brief on the question of repeal by implication.

POINT II.

History of venue statutes does not show Congressional intention that Section 52 should apply to patent cases.

On pages 12-15 of our brief, we reviewed the history of the Act of 1897 (now Section 48), and quoted from the Congressional Record of February 16, 1897 to show the intention of Congress in passing this Act. Respondents have not taken issue with our statement of this history, but have quoted from the Congressional Globe of March 3, 1858, apparently for the purpose of showing that Congress intended the Act of 1858 to apply to patent suits.

We respectfully submit that there is nothing in the quotation from the Congressional Globe to indicate that Congress intended the Act of 1858 to apply to patent suits. We furthermore respectfully submit that, as pointed out on pages 12-15 of our brief, it was the purpose of Congress in passing the Act of 1897 to preclude a suit against a defendant in a district other than the one in which he resides, *with the single exception of a district in which he has a regular and established place of business.*

As was stated on page 15 of our brief:

"Had Congress intended that the words 'the district of which the defendant is an inhabitant', appearing in Section 48, should be interpreted to mean 'two or more districts in the same state', Congress would certainly have expressed that intention in unmistakable language."

POINT III.

Petitioner's contentions have ample basis in Supreme Court decisions.

On pages 17-19 of our brief, we pointed out that the decision of the Circuit Court in this case constitutes a radical departure from the law relating to venue as it has been applied with substantial uniformity for at least 45 years. Respondents have not taken direct issue with the foregoing statement, but on pages 12-19 of their brief they contend that our position with respect to venue in patent cases is not supported by any decisions of the Supreme Court.

In answer to this contention, we are willing to concede that the Supreme Court has not as yet ruled on the specific question involved in this case; i. e. whether Section 52 applies to patent cases. However, we respectfully submit that our position with respect to the question of venue in patent cases finds ample support in each of the following decisions of this Court:

In re Hohorst, 150 U. S. 653, 661.

In re Keasbey & Mattison Co., 160 U. S. 221, 229-230.

In both the *Hohorst* and *Keasbey & Mattison* cases, as conceded by Respondents on page 19 of their brief, it was held that despite the Act of 1887 (now Section 51) which

provided that a defendant could be sued *only in his own district*, a defendant in a patent suit could be sued *wherever found*. The first part of Section 52 likewise contains a prohibition against suing a defendant *outside of his own district*. Hence, it necessarily follows that, on the authority of the *Hohorst* and *Keasbey & Mattison* cases, the first part of Section 52 does not apply to the patent cases. If the first part of Section 52 does not apply to patent cases, the rest of the section likewise does not apply. For, the two parts of Section 52 are inseparable.

At this point, it may be noted that Section 52, as pointed out by the late Mr. Justice Brandeis in *Camp v. Gress*, 250 U. S. 308, 313, is an exception to the general prohibition of Section 51 against suing a defendant in a district *other than the one in which he resides*. Since the general statute (Section 51) does not apply to patent cases, there is good ground for arguing that the section declaring an exception (Section 52) does not. For obviously a section declaring an exception to the general statute cannot have broader application than the general statute.

Connecticut Fire Ins. Co. v. Lake Transfer Corp. et al., 74 Fed. (2nd) 258 (C. C. A. 2, 1934), is cited in support of the foregoing line of reasoning.

Our position also finds ample support in *General Electric Co. v. Marvel Rgré Metals Co.*, 287 U. S. 430, 434, where in this Court held in no uncertain terms that venue in suits for patent infringement is governed by Section 48. This section restricts the venue in patent suits to *the district of which the defendant is an inhabitant, or any district in which the defendant shall have committed acts of infringement and shall have a regular and established place of business*.

Respondents seek to avoid the effect of the *General Electric* case, by contending that "if Section 48 may be waived by a private party, a fortiori, its operation certainly may be extended by the operation of a statute such as 52" (page 19 of Respondents' brief).

This is indeed a strange doctrine that Respondents are urging on the Court. It is true, of course, that a party may voluntarily waive the provisions of a venue statute. But that does not mean that the operation of the statute can be extended beyond its express terms, *when the party has not waived the provisions of the statute.*

On page 16 of Respondents' brief, it is stated, referring to *Lumiere v. Mae Edna Wilder, Inc.*, 261 U. S. 174:

".....This case is consistent with and clears the ground for a holding that Section 52 applies to venue in copyright cases and so also in patent cases, since both are classes of cases exclusively in the jurisdiction of Federal Courts....."

As admitted by Respondents, the *Lumiere* case clearly held that Section 51 does not govern the venue in copyright cases. Section 52 was not before the Court, and the late Mr. Justice Brandeis therefore stated:

"As there is in this case only one defendant, the provision concerning suits in states which contain more than one federal judicial district can have no application. See Judicial Code, Section 52 (Comp. St. Section 1034....."

Contrary to the impression which Respondents are apparently seeking to convey, there is no implication in the quoted language that if the question had been before the Court, it would have held that Section 52 applies to copyright cases.

POINT IV.

Contrary to Respondent's contention, rules of statutory construction favor Petitioner's position with respect to venue statutes.

On pages 15-17 of our brief, we pointed out with citations of authority that an interpretation of Section 52 to make it apply to patent suits would render portions of the section inconsistent with each other.

Referring to this part of Petitioner's brief, Respondents state (page 19 of their brief):

".....The seeming and unreal difficulty created in one part of appellant's argument arises from an attempt to read part of the words of Section 52 in specific opposition to some of the words in Section 48. No such handling of statutes is sound. *All of the words of Section 52 should be taken into account and when so taken the mystery and the cloud and the inconsistency disappear and Section 48 and Section 52 are found to be brotherly statutes which can live together in harmony.*" (Italics added).

A complete answer to the foregoing contention is, that contrary to Respondents' admonition, they have disregarded certain very vital words in the first portion of Section 52. The first portion provides that when a State contains more than one district, *every suit not of a local nature*, against a single defendant, inhabitant of such State, must be brought *in the district where he resides*. In contending that the phrase "every suit not of a local nature" makes Section 52 apply to patent suits, Respondents have shut their eyes to the words "in the district where he resides". These words cannot possibly apply to patent suits, and hence the entire section does not apply to such suits.

POINT V.

Since Respondents admit that Section 51 does not apply to patent suits, they cannot logically contend that Section 52 applies to such suits.

As was previously stated, this Court in *In re Hohorst*, 150 U. S. 653, 661-662, held that the Act of 1887. (now Section 51) did not apply to suits for patent infringement. The Circuit Court below refused to follow the *Hohorst case* on the ground that what it said as to venue in patent suits was merely a *dictum*.

On pages 8-11 of our brief, we contended that the statement in question in the *Hohorst case* was a definite holding and not a mere *dictum*. Respondents have apparently accepted our views in this regard, for they now admit that the *Hohorst case* held that Section 51 does not apply to patent suits (page 10 of Respondents' brief).

We respectfully submit that since Respondents admit that Section 51 does not apply to patent suits, they cannot logically contend that Section 52 applies to such suits. For, as we previously pointed out, Section 52 is an exception to the general prohibition against suing a defendant in a district *other than the one in which he resides*. If the general statute (Section 51) does not apply to patent cases, how can it be said that the section declaring an exception (Section 52) does apply? This is particularly so since Section 52 contains the same prohibition against suing a defendant outside of his own district as does Section 51.

At this point, it is noted that on page 15 of their brief, Respondents state:

"Admiralty jurisdiction is exclusively in the Federal Courts and Section 52 permits joinder of defendants resident in several districts of the same

state in admiralty suits in a federal court for the district where one of the defendants resides. *Downs v. Wall*, 176 F. 657, *The Resolute*, 14 F. (2) 232."

Respondents' reasoning appears to be substantially as follows:

Admiralty and patent cases are analogous in that they are both within the exclusive jurisdiction of the Federal Courts. Hence, the same rules as to venue should apply.

The difficulty with Respondents' reasoning is that the Federal Courts are not the only courts which have jurisdiction of maritime disputes. Section 24(3) of the Judicial Code provides that:

"The district courts shall have original jurisdiction as follows: * * *

(3) Of all civil cases of admiralty and maritime jurisdiction, saving to suitors in all cases the right of a common law remedy where the common law is competent to give it."

In *Red Cross Line v. Atlantic Fruit Company*, 264 U. S. 109, which involved the enforcement in the State Courts of an arbitration provision in a charter party, the late Mr. Justice Brandeis said:

"By reason of the saving clause, state courts have jurisdiction in personam, concurrent with the admiralty courts in all causes of action maritime in their nature arising under charter parties."

A further difficulty with Respondents' contention is that it is not yet settled that the Section 52 applies to admiralty cases. Attention is respectfully directed to *Connecticut Fire Ins. Co. v. Lake Transfer Corp. et al.*, 74 Fed. Rep. (2nd) 258 (C. C. A. 2, 1934).

At the bottom of page 27 of their brief, Respondents state:

"The propriety of the suggestion that the operation of Section 52 of the Judicial Code is in accordance with generally accepted views as to the extent of venue and service in Federal District Courts is shown by the fact that the new Federal Rules of Civil Procedure contain in Rule 4 (f) thereof the following:

"All process other than a subpoena may be served anywhere within the territorial limits of the state in which the district court is held and, when a statute of the United States so provides, beyond the territorial limits of that state. * * *"

A similar contention was made in *Gibbs v. The Emerson Electric Mfg. Co. et al.*, 29 Fed. (Supp.) 810 (W. D. Mo. 1939), and was answered by the Court as follows:

"Rule 4 (f) of the Rules of Civil Procedure permits the service of process 'anywhere within the territorial limits of the state in which the district court is held.' This liberal rule applies only where the venue will permit.

"Rule 82 specifically provides that the rules of Civil Procedure 'shall not be construed to extend or limit the jurisdiction of the district courts of the United States or the venue of actions therein.'

"The court has jurisdiction in patent cases, and, having jurisdiction of the subject matter, it can acquire jurisdiction of the person only where the statute so provides.

"From Section 109 supra it is obvious that the court can only acquire jurisdiction of the person under the circumstances therein mentioned."

CONCLUSION.

In conclusion, we respectfully call the Court's attention to the fact that Petitioner's point of view in this case was recently accepted by the District Court for the Southern District of New York in *Sperry Products, Inc. v. Association of American Railroads et al.* Since the decision has not as yet been published, we have taken the liberty of reproducing the pertinent portion of the opinion in the Appendix.

Respectfully submitted,

CHARLES W. RIVISE,
Counsel for Petitioner.

A. D. CAESAR,
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APPENDIX.

Pertinent Portion of Opinion of Judge Conger of the United States District Court for the Southern District of New York in *Sperry Products, Inc. v. Association of American Railroads et al.* (Jan. 12, 1942):

The New York Central Railroad also moves to dismiss for want of jurisdiction over it.

Plaintiff admits that the New York Central Railroad is an inhabitant of the Northern District of New York. Therefore no infringement having been alleged in the Southern District of New York, this court ordinarily would be without jurisdiction over this defendant under Judicial Code §48. The plaintiff claims that the court has jurisdiction over this defendant by reason of the provisions of Section 52 of the Judicial Code (28 U. S. C. A. 113).

This section (§52) provides that where there is more than one district in the state and that there are two or more defendants residing in different districts of the state, every suit not of a local nature " * * * may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides.'

Sections 48 and 52 are in direct conflict where a patent infringement action is involved, unless §52 is to be considered an enlargement of the jurisdiction provided for in §48.

The question to be determined is whether or not §52 is applicable to patent suits. There is a conflict on this point, between the Circuit Court of Appeals for the Third and Ninth Circuits. (*Melvin Lloyd*

Co. v. Stonite Products Co. (C. C. A. 3), 119 F. (2d) 883, holds it is applicable; *Motoshaver Inc. v. Schick Dry Shaver Inc.* (C. C. A. 9), 100 F. (2d) 236, holds it is not.)

I am convinced that I should follow the Ninth Circuit. (*Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, *supra*; see also *Cheatham v. Transit D. Co.*, 191 F. 727; *Potter et al v. Hook Scraper Co.*, 8 F. Supp. 66; *Salvatori v. Miller Music Co., Inc.*, 35 F. Supp. 845.) A review of the authorities both before and after the adoption of Judicial Code §48 indicates that this section came into being because of abuses of the law. An alleged infringer could be sued in any place where found. The abuses which this condition of affairs permitted were many and serious, and it was largely to correct them that the Act (Act of March 3, 1897 (29 Stat. 695), later Judicial Code, §48) was passed. The Act is a restrictive measure. (*Bowers v. Atlantic G. & P. Co.*, 104 F. 887.) Section 48 confers upon defendants in patent cases a privilege in respect to places in which suits may be maintained against them. (*General Electric Co. v. Marvel Rare Metals*, 287 U. S. 430.) I am of the opinion that Section 48 determines the jurisdiction in patent cases, and that Section 52 does not enlarge it. The complaint, therefore, as against the New York Central Railroad Company is accordingly dismissed.

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CHARLES ELMORE COOPER
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IN THE
Supreme Court of the United States

October Term, 1941

No. 321

STONITE PRODUCTS COMPANY,
Petitioner,

vs.

THE MELVIN LLOYD COMPANY, and
J. A. ZURN MFG. CO.,
Respondents.

**BRIEF IN OPPOSITION TO PETITION FOR
WRIT OF CERTIORARI TO THE UNITED
STATES CIRCUIT COURT OF APPEALS FOR
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IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1941

No. 321

Stonite Products Company, Petitioner,

vs.

*The Melvin Lloyd Company; and
J. A. Zurn Mfg. Co., Respondents.*

**BRIEF IN OPPOSITION TO PETITION FOR WRIT OF
CERTIORARI TO THE UNITED STATES CIRCUIT
COURT OF APPEALS FOR THE THIRD CIRCUIT**

*To the Honorable Chief Justice and Associate Justices of
the Supreme Court of the United States:*

Your Respondent, J. A. Zurn Mfg. Co., by Isaac J. Silin, Esquire, respectfully prays that a writ of certiorari to review a decision of the Circuit Court of Appeals for the Third Circuit entered May 13, 1941, be denied.

A transcript of the record in the case, including the proceedings, has been furnished by the Petitioner, who has also referred to the opinions below.

Question Presented
Statutes Involved

QUESTION PRESENTED

Is the conclusion of the Circuit Court of Appeals for the Third Circuit (R. p. 21)

“that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise.”

correct?

STATUTES INVOLVED

The Statutes involved will be found in the Appendix to the Petitioner's Brief.

REASONS FOR DENYING THE WRIT

I. THE DECISION BELOW IS NOT IN CONFLICT WITH ANY APPLICABLE DECISIONS OF THIS COURT

One of the points relied on by the Petitioner for invoking the discretionary jurisdiction of this Court is that the decision below is in conflict with decisions of this Court. In support thereof Petitioner contends that this Court has indicated that general statutes regarding venue do not apply to patent cases. Among the authorities cited are *In re Hohorst*, 150 U. S. 633, 661, and *In re Keasbey & Mattison Co.*, 160 U. S. 221, 230.

In *In re Hohorst*, *supra*, the question before the Court was whether the Act of March 3, 1887, as amended, providing in part that "no civil suit shall be brought before either of said Courts against any person by any original process or proceeding in any other district than that whereof he is an inhabitant" prevented the Federal Courts from having jurisdiction in patent litigation over a German Corporation which was not an "inhabitant" of any State. This Court first held that the statute was applicable only to an inhabitant of the United States, and secondly, that from its context it referred only to cases arising under the jurisdiction of the Federal Courts concurrent with that of the State Courts, and so was inapplicable to patent litigation, part of the exclusive jurisdiction of the Federal Courts. Therefore, it appears that the Court did not hold that general statutes as to venue are not applicable to patent cases but that this particular statute was inapplicable to patent cases

because it was not a general statute and only referred to a certain class of litigation where concurrent jurisdiction existed.

This interpretation is strengthened by the second cited case, *In re Keasbey & Mattison Co.*, 160 U. S. 221, in which the Court distinguished *In re Hohorst*, and said of that case at page 230:

"It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the Circuit Courts of the United States by section 629, cl. 9 and section 711, cl. 5 of the Revised Statutes, reenacting earlier Acts of Congress; and was, therefore, not affected by general provisions *regulating the jurisdiction of the Courts of the United States, concurrent with that of the several States.*" (Italics supplied)

This Court then held that inasmuch as trade-mark litigation was within the concurrent jurisdiction of the Federal Courts, the Act of March 3, 1887 (*supra*) was applicable.

As Section 52 of the Judicial Code, 28 U. S. C. 113, (appendix, Petitioner's Brief) is not limited to cases of concurrent jurisdiction or otherwise limited in its application, the decision below does not conflict with the decisions of this Court.

The other decision of this Court cited by the Petitioner is *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430. In that case this Court was considering Section 48 of the Judicial Code, 28 U. S. C. 109 (appendix, Petitioner's Brief) as to the venue of patent cases and whether those provisions could be and were waived by starting action in another district than the districts specified in the statute. The Court said of Section 48 at page 435 of the opinion:

"It confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them; and that privilege may be waived."

It cannot be held that thereby this court decided that all other venue statutes were inapplicable to patent cases. In fact, it may be reasoned that from the *Marvel* case it is to be inferred that if Section 48 may be waived by a private party, a fortiori, its operation certainly may be limited by the operation of a statute such as Section 52 of the Judicial Code.

It is, therefore, submitted that the decision below is not in conflict, or probably in conflict, with any applicable decisions of this Court.

II. PRIOR DECISION IN THE THIRD CIRCUIT

The attention of the Court is directed to the case of *Zell vs. Erie Bronze Co.*, 273 Fed. 833 (1921), in the Eastern District of Pennsylvania in which the Court also held that Section 52 of the Judicial Code was applicable to suits for patent infringement.

In the Third Circuit there has been no contrary decision which has come to the knowledge of counsel for the Respondents in any book reporting decisions of the Third Circuit.

III. EXERCISE OF DISCRETION FOR DENIAL OF CERTIORARI IN CLEAR CASES

Judge Maris and the Circuit Court of Appeals for the Third Circuit concluded (R. p. 21)

“that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise.”

The clarity of this conclusion, the convincing grounds on which it is based and the fact that it squares with the conceptual apparatus used in arriving at other conclusions in this field of the law, support a request that certiorari be denied in the discretion of the Court.

The Supreme Court of the United States, it is submitted, can well hold that the reargument before it of the question involved in this case is not required in view of these factors.

CONCLUSION

Your Respondent respectfully prays your Honorable Court that the Writ of Certiorari prayed for in the above entitled case be denied.

Respectfully submitted,

ISAAC J. SILIN, ESQUIRE,

Counsel for Respondent.

FILE COPY

IN THE
Supreme Court of the United States

No. 321 OCTOBER TERM, 1941

STONITE PRODUCTS COMPANY,
Petitioner-Appellant

VS.

THE MELVIN LLOYD COMPANY

and

J. A. ZURN MFG. COMPANY,
Respondent-Appellee.

BRIEF FOR RESPONDENT APPELLEE

*On Writ of Certiorari to the United States Circuit
Court of Appeals for the Third Circuit.*

ISAAC J. SILIN,
Attorney for Respondent-Appellee.

Erie Trust Building,
Erie, Pennsylvania.

IN THE SUPREME COURT OF THE UNITED STATES
NO. 321 October Term, 1941

STONITE PRODUCTS COMPANY
v.
THE MELVIN LLOYD CO. and
J. A. ZURN MFG. CO.

CORRECTIONS TO BRIEF FOR
RESPONDENT-APPELLEE

ADD in Index to Brief at end of first point heading under Argument the following - "; The antecedents of Section 52".

SUBSTITUTE the word "Appellant" for "Appellee" in the third point heading under Argument in the Index to the Brief.

SUBSTITUTE the word "Appellant" for "Appellee" in the point heading on Page 12 of the Brief.

SUBSTITUTE the word "Appellee" for "Appellant" in the 18th line of the body of page 13 of the Brief.

SUBSTITUTE "1912" for "1942" in the 4th line from the end of page 22 of the Brief.

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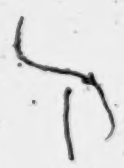
The opinion of the District Court is reported at 36 Fed. Supp. 29 (R. 10-12).

The opinion of the Circuit Court is reported at 119 Fed. Rep. (2nd) 883 (R. 15-21).

QUESTIONS PRESENTED

1. Has the enactment of the Act of March 3, 1897, 29 Stat. 695, reenacted in Section 48 of the U. S. Judicial Code, 28 U. S. C. A. Sec. 109, repealed by implication the Acts of May 4, 1858, c. 27, Sec. 1, 11 Stat. 272 and February 24, 1863, c. 54, Sec. 9, 12 Stat. 662 carried into U. S. Revised Statutes, Sec. 740 and later into U. S. Judicial Code, Sec. 52, 28 U. S. C. A. Sec. 113?

2. In a patent infringement case brought in the Western District of Pennsylvania against a resident of the Western District of Pennsylvania, does the Court have jurisdiction of a co-defendant who is a resident of and was served in the Eastern District of Pennsylvania over its objection to the venue and jurisdiction of the Court?



SUMMARY OF ARGUMENT

The continuous and unimpaired operative effect of Section 52 of the Judicial Code since enactment of its antecedent acts is not inadvertently cut short and Section 52 is not impliedly repealed by the Act of March 3, 1897 carried into Section 48 of the Judicial Code without any expression of repeal. The history of these venue statutes and those related thereto and the legislative policy disclosed therein show the Congressional intention to command that Sections 52 and 48 shall be given full effect together.

Patent suits do not possess a unique character excluding them from the operation of Acts of Congress and a special exclusion of patent suits from the operation of acts otherwise applicable to patent suits would have to be written into such an act if its operation would not be to cover patent suits. Since both Section 48 and Section 52 may be fully operative without affecting the force of either, they should be construed to stand together.

ARGUMENT

SECTION 48 AND SECTION 52 OF THE JUDICIAL CODE, IN THEIR RESPECTIVE HISTORICAL DEVELOPMENTS, SHOW THAT THERE IS NO EXCLUSION OF PATENT LITIGATION FROM THE OPERATION OF SECTION 52; THE ANTECEDENTS OF SECTION 52.

This case involves the interrelation of two sections of the Judicial Code pertaining to venue of the district courts. Section 48 of the Code defines the venue in patent infringement suits and Section 52 is a general venue statute applying to district courts in those states which have more than one district. Since this latter general venue statute applies to "every suit not of a local nature" its provisions will govern patent infringement litigation as well as any other suits not of a local nature. In addition to the plain words of the statute, such construction is supported by the historical development of these provisions and by authority of the Federal Courts.

Section 52 of the Judicial Code (28 U. S. C. A. Section 113) provides as follows:

"When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the

proper district; and such original and duplicate writs, when executed and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State."

The above quoted section was known as Revised Statutes, Sec. 740 and had been derived from the Act of May 4, 1858, c. 27, Sec. 1, 11 Stat. 272 and the Act of February 24, 1863, c. 54, Sec. 9, 12 Stat. 662, and with only a minor change of reference to the District Court instead of "Circuit or District Courts", that section of the Revised Statutes was carried into Sec. 52 of the Judicial Code above quoted in part. This history is thus dwelt upon because it is regarded as materially affecting the view to be taken of the effect of this provision in the light of another later provision carried into Sec. 48 of the Judicial Code.

At this point, too, it is proper to call attention to the words "every suit not of a local nature" above quoted. Sec. 52 of the Judicial Code when originally enacted contained no exception in reference to patent cases. The Congress, therefore, in enacting the predecessor of Sec. 52 of the Judicial Code enacted it without exception in respect of patents at a time when the omission to provide for an exception in respect of patent cases could not have been said to have been inadvertent. The intention of Congress to except everything which it then intended to except is shown by the excepting words "not of a local nature" above quoted. The intention was clear to have included all cases not of a local nature including patent cases.

If this statute now carried into section 52 of the Judicial Code stood unrepealed, as it does, and alone, there would be no question that this suit could properly be brought in the Western District of Pennsylvania against the defendant residing in the Eastern District of Pennsyl-

vania. The Act of 1858 and 1863, which became Sec. 740 of the Revised Statutes (Revision of 1873 and 1874) has been without question continuously in force since its first enactment in view of its reenactment without change in Sec. 52 of the Judicial Code, being the Act of March 3, 1911, 36 Stat. 1101.

It was natural in our federal union of states to think in terms of state boundaries whenever a question of a division of the country for any federal purpose arose. Thus, it came about that the federal judicial districts became divided initially along state lines and each district had state wide jurisdiction. Later it appeared to be expedient on account of the size, in population, area or business, of certain states to divide them into two or more districts. Nevertheless, the enactment of special provisions for district courts of particular states, providing for suit in any one district court of that state against two or more defendants residing in different districts, shows that the idea of state wide venue continued with uninterrupted force. These provisions are cited in the Opinion of Judge Maris in this case in the Circuit Court of Appeals; Alabama. Act of March 10, 1824, c. 28 Section 6 (4 Stat. 10); Mississippi. Act of June 18, 1838, c. 115 Section 4 (5 Stat. 248); Tennessee. Act of January 18, 1839, c. 3 Section 7 (5 Stat. 314); Alabama. Act of February 6, 1839, c. 20 Section 5 (5 Stat. 315); Georgia. Act of August 11, 1848, c. 151 Section 5 (9 Stat. 281); Iowa. Act of March 3, 1849, c. 124 Section 3 (9 Stat. 411); Ohio. Act of February 10, 1855, c. 73. Section 9 (10 Stat. 606).

The record in the United States Senate of the enactment of the predecessor Act to Section 52 is in part below set forth.

Congressional Globe, 1st Session, 35th Congress, Vol. 36, pt. 1, p. 936, March 3, 1858:

Mr. Pugh: The Committee on the Judiciary to whom was referred the bill (S. No. 36) further to

amend an "Act to divide the State of Illinois into two judicial districts" approved February 13, 1855, have had the same under consideration and have instructed me to report a general act as a substitute for that bill. I ask, if there be no objection that it be now put on its passage.

The substitute was read * * *

Mr. Stuart: It seems to me, if the Senator is going to have a substitute entirely different from the bill which was referred, he had better have it printed, so that we can see it.

Mr. Pugh: I will say to the Senator it is hardly worthwhile. In the case of Illinois, and in one or two other cases, we find, on examination, that in dividing the State into two districts, Congress did not make provision for process to run from one district to the other. In some cases, as in Ohio, a special provision of that sort has been made. Our object is to make it a universal rule, and not to pass special acts in each case. These are the provisions: they are relative to the subject matter where the defendants reside in different districts of the same State. It does not go beyond that.

Mr. Stuart: I understood the bill to change the general practice in the courts. If it is only to apply to special cases of when a State is divided into judicial districts, I shall not object.

Mr. Pugh: It makes no change in the general practice. It is simply to apply the provisions of law relative to the division of Ohio to Illinois and other States which have been divided.

Mr. Stuart: Where States are divided into two districts.

Mr. Pugh: Or more than two.

The Senate in Committee of the whole, proceeded to consider the bill, and the substitute to the Committee was agreed to. The bill was reported to the Senate as amended and the amendment was concurred in. The bill as amended was ordered to be engrossed for a third reading. Read the third time and passed. The title was amended so as to read, "A bill to provide for the issuing, service, and return of original and final process in the circuit and district courts of the United States in certain cases."

The Act of May 4, 1858, c. 27, Sec. 1 first enacted a general provision for all states having more than one district and that enactment was in substance the same as Sec. 52 of the Judicial Code. This idea of state wide venue has persisted to the present day without substantial change or qualification as seen in the reenactment of the Act of 1858 as Sec. 740 of the Revised Statutes and Section 52 of the Judicial Code.

In permitting district courts of the several states to have venue of joint defendants in other districts of the same state, Congress is imposing no great hardship on such defendants. The state of Pennsylvania is divided into three districts, yet for example, the state of Montana covering a territory more than three times greater than all of Pennsylvania, has only one district. The same is true in considering the work of the courts in regard to population included in the district: The population of the northern district of Illinois exceeds the sums of the total population of many states comprising single districts. As the area and population covered by the district courts is variable in all instances, there is no reason to limit the provisions in Section 52 of the Judicial Code for state wide venue of the district courts, and patent infringers have no greater claim for immunity from the operation of Section 52 than have any other defendants in the federal courts.

THE ANTECEDENTS OF SECTION 48

Understanding of Sec. 48 may be advanced by reference to the history of venue in the district courts. Under Sec. 11 of the Judiciary Act of September 24, 1789 c. 20, 1 Stat. 79, a suit could be instituted in any federal court for a district where the defendant was an inhabitant or where he was found at the time of serving the writ. This provision was continued by the Act of 1875. It imposed hardship on a defendant who was found and served in a suit commenced in a court far from the scene of the controversy or home of the defendant and gave the plaintiff an undue advantage in selecting the forum. Congress sought to correct this situation by the Act of March 3, 1887, c. 373 Sec. 1. The first part of this Act read, "the Circuit Courts of the United States shall have original cognizance, concurrent with the courts of the several states, of all suits of a civil nature" and then went on to give limitations of the amount in controversy, etc. Subsequently, in the same section of that act it was provided that

"no civil suit shall be brought before either of said courts against any person by any original process or proceeding in any other district than that whereof he is an inhabitant; but where the jurisdiction is founded only on the fact that the action is between citizens of different States, suit shall be brought only in the district of the residence of either the plaintiff or the defendant." 24 Stat. 552 Sec. 1.

This statute came before this court in *In Re Hohorst*, 150 U. S. 653 (1893) in a petition for a writ of mandamus to command the judges of a circuit court to take jurisdiction in a suit brought in a district in which the defendant was not an inhabitant, for patent infringement against an alien corporation. This Court granted the petition and held that the venue was proper and that the Act of 1887 (*supra*)

was inapplicable to aliens and to a patent case arising under the exclusive jurisdiction of the federal courts. In so holding, the court pointed out at page 661—"The section now in question, at the outset, speaks only of so much of the civil jurisdiction of the Circuit Courts of the United States, as is 'concurrent with the courts of the several States' and as concerns cases in which the matter in dispute exceeds two thousand dollars in amount or value." The court then goes on to hold that the limitation on venue in the statute is no more applicable to patent cases than the limitation of amount in controversy would be.

After the Hohorst case, lower federal courts applied the provisions of the venue act of 1887 to patent litigation on the erroneous assumption that the Hohorst case only applied to alien defendants and held that patent suits could only be brought in the district where the defendant, if a non-alien, resided. See *Union Switch & Signal Co. v. Hall Signal Co.*, 65 F. 625, *Donnelly v. U. S. Cordage Co.*, 66 F. 613.

Cases of the kind immediately above cited confused the situation and this Court then considered this matter further in *In re Keasbey and Mattisen Co.*, 160 U. S. 221 (1895). In that case this Court reaffirmed what it had held in the Hohorst case and said in reference to it at page 230, "It was a suit for infringement of a patent right exclusive jurisdiction of which had been granted to the Circuit Courts of the United States by section 629, cl. 9, and section 711 cl. 5 of the Revised Statutes, reenacting earlier acts of Congress; and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several States."

Thereafter, the lower federal Courts conformed their rulings to the two United States Supreme Court cases above discussed and held that patent litigation could be brought in any district in which the defendant could be found. See *National Button Works v. Wade*, 72 F. 298, *Westinghouse*

Air Brake Co. v. Great Northern Ry. Co., 88 F. 258. This situation created the hardships for defendants in patent suits and for plaintiffs in patent suits the undue advantages which existed in other suits prior to said legislation of 1887. As the quotations, contained and omitted in appellant's brief, from the Congressional record show, Congress soon desired to remedy these inequities.

And so fifteen months after the decision in the *Keasbey and Mattison* case, Congress enacted the Act of March 3, 1897, c. 395, 29 Stat. 695 subsequently reenacted as Section 48 of the Judicial Code (28 U. S. C. A. Section 109) as follows:

"In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought."

This statute contained no express repealer of prior statutes nor even a general repealer of inconsistent acts. It served to bring venue provisions as to patent infringement suits more into line with general venue provisions, although still leaving the district courts a broader venue as to patent infringement than as to other civil cases.

The historical development of Section 52 shows that it is a general venue provision designed to meet a special geographical problem. And the historical development of Section 48 shows that it is a venue provision for a special

type of case. Venue has been broader in patent than in other cases. Since there was no statement in the Act of 1897 (Section 48) that it repealed any other statutory provision, that act furnishes no basis for inference that Congress intended only a plaintiff in patent infringement litigation to be barred from suing in a single action all the defendants in one state even though that state happened to be divided into more than one district. This view is strengthened by the fact that Congress incorporated both sections 48 and 52 into the Judicial Code without any suggestion that the words "every suit" in Section 52 did not apply to a patent suit.

**THE UNTENABLE DOCTRINE FOR WHICH THE
APPELLEE SEEKS SUPPORT: THE ABSENCE OF
ITS SUPPORT IN UNITED STATES SUPREME
COURT CASES**

The idea, which carries the burden of appellant's argument and which may find some support in the lower court cases relied on by appellant, is that the place of bringing action against patent infringers is a subject of separate kind and separate class. On this basis it is claimed that other Statutes such as the one in Section 52 of the Judicial Code as to additional co-defendants in other Districts of the same State cannot affect actions against patent infringers. This idea is one that ought not to be followed. Such a doctrine might be carried to lengths which Congress could never have intended and by the operation of that doctrine a statutory procedural rule which the Court thought it unwise to apply in patent infringement cases would be cut off from operation in them by a judicial conception that there was involved a kind of statutory provision which was conceived as not intended to be applicable in patent cases on account of some im-

plication worked out by a court contrary to the plain words used by the Congress.

It should be observed that Section 52 of the Judicial Code has reference to a matter of co-defendants in Districts within the same State, a subject matter entirely untouched by Section 48 of the Judicial Code relating to the circumstances required to exist against one of the co-defendants in the District so that a suit for patent infringement may be initiated.

Cases presenting the issues present here and heretofore decided are, holding favorably to the contention of the appellee, *Zell v. Erie Bronze Co.*, 273 Fed. 833, in the Eastern District of Pennsylvania (Dickinson, J.) and holding favorably to the contention of the appellant, *Moto-shaver, Inc. v. Schick Dry Shaver, Inc.*, 100 F. (2d) 236 (C.C.A. 9) and *Cheatham Electric Switching Device Co. v. Transit Development Co.*, 191 Fed. 727. Also favorable to the contention of the appellant are a number of cases hereinbelow referred to holding that Section 52 of the Judicial Code (formerly Section 740 of the Revised Statutes) was not repealed by implication through the enactment of other later statutes and included among those cases are *East Tennessee V. & G. R. Co. v. Atlanta & F. R. Co.*, 49 Fed. 608, *Goddard v. Mailler*, 80 Fed. 422, *Doscher v. U. S. Pipe Lines Co. et al.*, 185 Fed. 958 and others. The admiralty cases involving Section 52 and others cited herein support directly or by focus of inference or by necessary conclusion the position of the appellee.

Although this court has never before decided the precise question in this case, decisions of this court indicate that the Third Circuit Court of Appeals was correct in holding that Section 52 of the Judicial Code is applicable as well to alleged patent infringers in separate districts within a state as to any other alleged tortfeasors. The Hohorst case contains no statement or indication that general venue statutes do not apply to patent cases and only holds that this

particular statute, the Act of March 3, 1887, cannot regulate patent matters because it is limited to cases of concurrent jurisdiction. This Court in *In re Keasbey and Mattison Co.*, *supra*, comments on the Hohorst case and properly notes that patent cases are "not affected by general provisions regulating the jurisdiction of the Courts of the United States, concurrent with that of the several states." We may infer that a general venue statute not limited to cases of concurrent jurisdiction would operate in patent cases. No statute can be found to justify the treatment of patent cases as a segment of all legal phenomena ungoverned by the rules applicable to the remaining such phenomena. Every presumption would be to favor the operation of all statutes and all venue statutes wherever applicable, unless exceptions are expressly incorporated in them. We cannot say that Congress must have in mind that all it enacts will fail to govern patent cases unless it expressly so states. This Court's cases discussed above do not contain any statement or holding that general venue statutes, when unlimited by applicable qualifications such as cases of concurrent jurisdiction, do not apply to patent cases.

Section 51 of the Code, originally the Act of March 3, 1887, is sometimes referred to as the general venue statute, even though it is limited in operation to cases of concurrent jurisdiction. But the fact that this statute does not apply to patent cases, because they are not cases of concurrent jurisdiction, is no authority that any statute touching venue generally is inapplicable to patents. Section 52 of the Judicial Code is such a general venue statute. There is nothing in Section 52 or any of its prior enactments which limits its effect to cases arising under the concurrent jurisdiction of the federal courts. Thus, Section 52 is a general venue statute applicable as well to this patent case arising under the exclusive jurisdiction as to cases arising under the concurrent jurisdiction of the federal courts.

Appellants base their argument that Section 52 of the Judicial Code does not apply here upon the broad state-

ment that general venue statutes are not applicable to patent litigation. This surprising conclusion arises out of the error of finding a statute such as Section 51 applying only to concurrent jurisdiction and naming it a general venue statute. Once the statute is named, the intellectual damage is done and it is said that Section 51 is a general venue statute and does not apply to patent cases. Then the appellant in effect follows with the unwarranted generalization that all general venue statutes do not apply to patent cases. Here is reasoning from the particular to the general, in a step which ignores the limitations to cases of concurrent jurisdiction in Section 51. Thus, appellant and some courts have fallen into the error of holding Section 52 as a general venue statute does not apply to patent cases, although there is no limitation of Section 52 to cases of concurrent jurisdiction. It is a well established rule that, since patent cases are in the exclusive jurisdiction of the United States Courts, venue statutes limited to cases of concurrent jurisdiction are not applicable to suits against infringers of patents. This rule has no bearing on the operation of Section 52 which is not limited to cases of concurrent jurisdiction.

Admiralty jurisdiction is exclusively in the Federal Courts and Section 52 permits joinder of defendants resident in several districts of the same state in admiralty suits in a federal Court for the district where one of the defendants resides. *Downs v. Walk*, 176 F. 657, *The Resolute*, 14 F. (2) 232.

In *Lumiere v. Mac Edna Wilder, Inc.*, 261 U. S. 174, Justice Brandeis said at page 176, "The venue of suits for infringement of copyright is not determined by the general provision governing suits in the federal district courts. Judicial Code, Section 51 (Comp. St. Section 1033)." The opinion refers to only one particular section of the Judicial Code, that conferring venue in ordinary civil suits, and goes on to point out in the next sentence that there is a

special provision relating to venue of copyright suits. There is no indication that any other general venue provision not specifically excluding copyright cases (or some class of cases including copyright cases with the definition of the class) would be inapplicable to copyright litigation. Justice Brandeis went on to say at page 178, "As there is in this case only one defendant, the provision concerning suits in states which contain more than one federal judicial district can have no application. See Judicial Code, Section 52 (Comp. St. Section 1034) * * *". This case is consistent with and clears the ground for a holding that Section 52 applies to venue in copyright cases and so also in patent cases, since both are classes of cases exclusively in the jurisdiction of Federal courts. An error in quotation from *Lumiere v. Mae Edna Wilder Inc.*, 261 U. S. 174, appears on the last line of page 11 of Appellant's Brief. The quotation there adds an (s) to the word provision, thereby making it plural instead of singular as in the Opinion. The quotation should read as follows: "The venue of suits for infringement of copyright is not determined by the general provision governing suits in the federal district courts. Judicial Code, Section 51 * * *". This correction is required to prevent a fundamental change in meaning. From the quotation in Appellant's Brief, it would appear that the court held that all general venue provisions were inapplicable to suits for copyright infringement, and so were inapplicable to patent litigation in so far as copyright and patent litigation are similarly governed. However, as the opinion actually reads, the court is only saying that the provision governing initiatory venue of Section 51 of the Judicial Code does not operate in copyright infringement actions.

Since Section 52 applies to every suit not of a local nature, it would apply to suits for patent infringement in the absence of any other legislation. The only question therefore is as to the effect that the enactment of Section 48 of the Judicial Code providing for venue of suits

for patent infringement has on the applicability of Section 52 to such suits. As has been pointed out Section 48 at the time of its enactment contained no repealers, general or particular. It can not be seriously contended at this time that Section 48 caused an implied repeal of Section 52 as Congress by reenacting both sections in the Judicial Code has indicated that there was no intention for one to repeal the other and has indicated that both are to be given full effect.

It is true that both sections deal with venue and they meet in operation in the sense that both may apply to the venue of the same suit. In that sense they may be said to be in *pari materia*. As was stated by this court in *The United States v. Freeman*, 44 U. S. (3 How.) 556, "the correct rule of interpretation is, that if divers statutes relate to the same thing, they ought all to be taken into consideration in construing any one of them, and it is an established rule of law, that all acts in *pari materia* are to be taken together, as if they were one law. Doug., 30; 2 Term Rep., 387, 586; 4 Maule & Selw., 210. If a thing contained in a subsequent statute, be within the reason of a former statute, it shall be taken to be within the meaning of that statute. Lord Raym., 1028." This principle was recently reaffirmed in *United States v. Stewart*, 311 U. S. 60. Section 48 is so operatively consistent with the provisions of Section 52 that joint defendants in different districts of a state may be sued in any district of that state where they reside.

In *Petri v. F. E. Creelman Lumber Co.*, 199 U. S. 487, the statutes involved were the Act of March 2, 1887, a special statute relating to the division of Illinois into judicial districts. Section 4 provided in terms substantially similar to Section 52 of the Judicial Code for a single suit against joint defendants within the different districts of Illinois and the Act of March 3, 1887 (24 Stat. 552) provided that no civil suit should thereafter be brought in any other

district than that whereof defendant was an inhabitant. One of the two defendants objected to the jurisdiction of the court because it was an inhabitant of the Southern district of Illinois and not of the Northern district of Illinois where suit was brought. The court, in overruling the objection stated at page 497, "It is elementary that repeals by implication are not favored, and that a repeal will not be implied unless there be an irreconcilable conflict between the two statutes" and pointed out that there had been enacted similar special statutes since the Act of March 3, 1887 showing that Congress did not believe there was an irreconcilable conflict.

In the instant case, Section 52 has been reenacted concurrently with Section 48, showing a similar Congressional state of mind. In the *Petri* case and this, statutes providing for suit against joint defendants in different districts of the same state in either district were followed by statutes limiting venue. On the authority of *Petri v. F. E. Creelman Lumber Co.*, *supra*, it appears that Section 52 of the Judicial Code is not in irreconcilable conflict with Section 48 and both must be given effect where possible.

In *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, this Court considered Section 48 of the Judicial Code, 28 U. S. C. 109, as to the venue of patent cases and whether those provisions could be and were waived by starting action in another district than the districts specified in the statute. The Court said of Section 48 at page 435 of the opinion:

"It confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them. And that privilege may be waived."

Thereby this court did not decide that all other venue statutes were inapplicable to patent cases. Quite on the other hand, it must be inferred from the *Marvel* case that

if Section 48 may be waived by a private party, a fortiori, its operation certainly may be extended by the operation of a statute such as Section 52 of the Judicial Code so that there may be joined in a single suit two or more defendants residing in different districts of a state.

Section 52 has been and is a Statute regulating the flow of business among the several district courts in a State containing more than one district. It is a failure to recognize this purpose of the Act apparent from its history which permits the appellant's mind to fall in a trap by its reading of that part of Section 52 which relates to venue against a single defendant inhabitant of a State containing more than one district. When Section 52 is read to cover the conditions which may arise in respect of defendants resident in a State containing more than one district no difficulties of interpretation appear. It is only when the purpose of Section 52 to regulate the flow of business among the district courts of a State containing more than one district is forgotten that any inconsistency can be cast into the operation of Section 52 alongside of Section 48.

This purpose of Section 52 to regulate venue among district courts of a State containing more than one district should be taken into account and if it is taken into account no inconsistency or ambiguity or difficulty of interpretation of Section 52 arises in giving it full force, either in respect of a single defendant or in respect of two or more defendants resident in such a State. The seeming and unreal difficulty created in one part of appellant's argument arises from an attempt to read part of the words of Section 52 in specific opposition to some of the words in Section 48. No such handling of statutes is sound. All of the words of Section 52 should be taken into account and when so taken the mystery and the cloud and the inconsistency disappear and Section 48 and Section 52 are found to be brotherly statutes which can live together in harmony.

THE COGENT ANALOGY OF THE OPERATION OF SECTION 52 IN HARMONY WITH OTHER ACTS INCLUDING THE ACT OF 1875

The enactment carried into Sec. 52 of the Judicial Code, formerly Section 740 of the Revised Statutes, has been held not to be repealed by implication by the enactment of the Acts of March 3, 1875, c. 137, 18 Stat. 470, March 3, 1887, c. 373, 24 Stat. 552 and August 13, 1888, c. 866, 25 Stat. 433. The cases so holding are below set forth because they are persuasive analogies to show that the enactments carried into Section 52 of the Judicial Code are not to be set aside by implication from Section 48 of the Judicial Code. The cases cited below will be found all the more convincing because there were express provisions of repeal of all acts inconsistent therewith in all the statutes there reviewed to determine whether or not by implication they repealed the act which became Section 52 of the Judicial Code and which is the key to this case. In the case now before the Court it can be pointed out that the Act carried into Section 48 of the Judicial Code carried with it no provisions for repeal of any other Act.

In the case of *East Tennessee, V. & G. R. Co. v. Atlanta & F. R. Co.*, 49 F. 608 on motion by the Plaintiff for an attachment the Defendant objected that the Court had no jurisdiction over him because Section 740 of the Revised Statutes, which subsequently became Section 52 of the Judicial Code, had been repealed by the Act of 1875 and the amendments thereto. The question before the Court was whether the Act of March 3, 1875 providing that "no civil suit shall be brought before either of said courts against any person, by any original process or procedure, in any other District than that whereof he is an inhabitant or in which he is found at the time of serving such process", repealed by implication the provision now incorporated in Section 52 of the Judicial Code as to the joint suit against

defendants in different Districts in one State, particularly because the Act of 1875 specifically repealed all Acts inconsistent with it. The Court granted the Motion, holding that it did have jurisdiction and that the Act of 1875 could be harmonized with Section 740 of the Revised Statutes (now Sec. 52 of the Judicial Code) and effect be given to both.

In the case of *Goddard v. Mailler*, 80 Fed. 422 the Defendant had filed an objection to the jurisdiction of the Circuit Court for the Southern District of New York because he was not an inhabitant of the Southern District of New York but on the contrary resided in the Eastern District. The question presented to the Court was whether the Act of August 13, 1888, 25 Stat. 433, which provided that no civil suit shall be brought in a Circuit Court against any person "in any other District than that whereof he is an inhabitant" repealed by implication the provisions of Section 740 of the Revised Statutes, subsequently reenacted in Section 52 of the Judicial Code. The Court pointed out that the one exception to the Act of 1885 was that where jurisdiction was based upon diversity of citizenship, suit could also be instituted in the District of the Plaintiff: The Court also pointed out that the Act of 1888 repeals all acts conflicting with it. Nevertheless the Court held that Section 740 of the Revised Statutes was still in force and that the Court had jurisdiction saying at page 424:

"Repeal by implication is not favored. If the earlier law be not plainly in conflict with the later law it should stand. If effect may be given to both it is the plain duty of the Court to uphold the earlier law. 'No statute should be construed as repealing a prior one, unless so clearly repugnant thereto as to admit of no other reasonable construction'."

"The Court is unable to see what the language quoted from Section 740 is inconsistent with the pro-

visions of Section 1 of the Act of 1888. It provides for a contingency not mentioned in the Act. If Congress had incorporated it into the Act of 1888 the first section would be consistent and harmonious."

Similarly, Section 52 of the Judicial Code provides for a contingency not mentioned in Section 48 thereof and similarly, the two sections are consistent and harmonious.

In the case of *Doscher v. U. S. Pipe Lines Co. et al.*, 135 F. 958 the same question as to jurisdiction was raised by the Defendant alleging that Section 740 of the Revised Statutes (now Section 52 of the Judicial Code) had been repealed by the Acts of 1875, 1887 and 1888. The Court held that it did have jurisdiction and pointed out that Section 740 of the Revised Statutes was not clearly repugnant to these acts but might be read in harmony with them as a second exception relating to matter which was not specifically provided for in those acts. The Court said at page 961:

"There is this particular consideration also in favor of sustaining Section 740, if the question of repeal is doubtful. The inconvenience to a Defendant of being sued in a different district may sometimes be real and should be avoided as far as practicable. But it is much more inconvenient for a Plaintiff not merely to bring one suit away in a defendant's district, but to be obliged to bring several suits on the same cause of action, and to try the same issues more than once. In Pennsylvania he might have to go over the same ground three times at great expense and hardship."

It is also interesting to point out that the Court stated that this question would no longer be open to any doubt after January 1, 1942 because both Section 740 of the Revised Statutes and the Act of 1875, as amended, had been reenacted without qualification in the Judicial Code. This, the Court said showed in effect that Congress did not find

that these acts were inconsistent. Similarly in the present case Section 48 and Section 52 of the Judicial Code were enacted without qualification and showed a similar intent on the part of Congress that both should be given full effect.

In accord with the above cited cases as to Section 740 and related provisions in the Revised Statutes not being repealed by the subsequent Acts of 1875, 1887 and 1888 are:

John D. Park & Sons Co. v. Bruen, 133 Fed. 806
(C. C. S. Dist. N. Y.)

Horn v. Pere Marquette R. Co., 151 Fed. 626 (C.
C. E. Dist. Mich.)

The situation presented in these cases is analogous to that presented here. Section 52 is not inconsistent with Section 48 but on the contrary provides for a contingency not covered by Section 48. If the provisions of Section 52 as to action against joint defendants in two or more districts in the same state are incorporated into Section 48, the results are logical and consistent. Section 48 defines the requirements of initiatory venue in suits for patent infringement. Those requirements have to be met. At least one defendant must be an inhabitant of or have committed acts of infringement and have a regular and established place of business within the district in which suit is started. However, once those initiatory requirements are met, Section 52 allows an auxiliary venue and permits the joinder of additional defendants in different districts in the same state according to its requirement for residence and procedure.

Another analogy may be drawn from the fact that the antecedent of Section 52 was in force without any inconsistency at the same time as the provisions of Section 739 of the Revised Statutes, taken from Section 11 of the Act of September 24, 1789 c. 20. Under the earlier law of Section 739 of the Revised Statutes a defendant could be sued where he was found or where he was an inhabitant.

No inconsistency is indicated in any court cases or in any Congressional action between Section 739 and Section 740 of the Revised Statutes (carried into Section 52 of the Judicial Code) in respect of the division of business among the district courts of a State containing more than one district where a defendant was resident in such state.

THE RULES OF STATUTORY CONSTRUCTION REQUIRE THAT TWO STATUTORY PROVISIONS SHALL BE GIVEN THEIR FULL FORCE WHEREVER THE PLAIN OPERATION OF THE LANGUAGE OF EACH CAN BE EFFECTED

This Court has recognized that one statute may be auxiliary to another and if that is the case that there is no conflict between them. In *United States v. Borden Co.*, 308 U. S. 188 at page 198 it was said:

“It is a cardinal principle of construction that repeals by implication are not favored. When there are two acts upon the same subject, the rule is to give effect to both if possible. * * * The intention of the legislature to repeal ‘must be clear and manifest’. * * * It is not sufficient as was said by Mr. Justice Story in *Wood v. United States*, 16 Pet. 342, 362, 363, 10 L. Ed. 987, ‘to establish that subsequent laws cover some or even all of the cases provided for by (the prior act); for they may be merely affirmative, or cumulative, or auxiliary.’ There must be ‘a positive repugnancy between the provisions of the new law and those of the old; and even then the old law is repealed by implication only, pro tanto, to the extent of the repugnancy’.

* * *

Section 52 of the Judicial Code has to do with auxiliary venue where there are two or more defendants in different districts resident in the same state and the section does not

conflict with the operation of initiatory venue in patent cases governed by Section 48 of the Judicial Code.

Judge Dickinson concisely stated the position of appellee as to the proper interpretation of Sections 48 and 52 of the Judicial Code in *Zell v. Erie Bronze Co.*, 273 F. 833 at page 837.

"The genesis of these several acts of Congress and the order in which they appear in the present Judicial Code are all consistent with this thought, that a defendant in any kind of a case may be sued in his own district, and there alone, except that where diversity of citizenship is a sole ground of jurisdiction he may also be sued, if service can there be had upon him, in the district of the plaintiff, and that in patent suits the infringer may be sued in the district in which he commits acts of infringement, if he there maintains an office, etc.; that where there are several defendants the plaintiff may proceed against the defendant who is an inhabitant of the district in which the suit is brought, and if all of the defendants reside within the same state, although in different districts, they may all be sued in the district of any one of them, extraterritorial service being made upon those out of the districts."

Judge Maris in his opinion in the Circuit Court of Appeals in this case said that the construction of these sections was correctly indicated in the above quotation.

The well established doctrine that Courts do not favor a repeal by implication would be decisive of this matter without regard to the continuous operative effect and reenactment of Section 52 of the Judicial Code as originally enacted as long ago as 1858 and carried forward through the Revised Statutes to its present place in the Judicial Code. The only meaning which the doctrine of repeal by implication can really have in this case is that of a repeal by inadvertence. For, so far as the administration of justice is concerned,

we must assume that legislative action is intelligent action and that a desired repeal will be stated as such. Statutory provisions which are reenacted side by side must have been intended to operate together without diminution of the operative effect of either. And this leads us to the concomitant rule of statutory construction that the best construction of two statutes in effect at the same time is that which will give, wherever possible, force to all the words in each statute.

The history of the provision antecedent to and embodied in Section 52 of the Judicial Code is that of a statute operating in every case except those of a local nature to extend to litigants and courts alike the advantages of a reduction in the number of suits to be tried by providing that in cases where more than one defendant resides in the same state one action, and not several, will be needed to determine the issues arising out of the same or substantially the same set of facts. The policy underlying Section 52 of the Judicial Code and its antecedents was a policy of such obvious benefits to the judicial system and litigants alike that a further hesitancy to repeal it by implication should prevail.

Patent cases are notoriously difficult and expensive for both plaintiffs and defendants. The policy of limiting the initiation of patent suits to help defendants, as provided in Section 48 of the Judicial Code (the Act of March 3, 1897) is not at all inconsistent with a comparable policy to aid plaintiffs so that they will not have to sue on the same or substantially the same cause of action in two districts in the same state even in patent suits (the Acts of 1858 and 1863 now Section 52 of the Judicial Code).

Section 48 of the Judicial Code must be considered as a test of the kind of fact of jurisdiction or venue which must exist in order that an action may be initiated in any Federal District Courts, while the history as well as content of Section 52 of the Judicial Code shows that it must

be considered not as a statute governing initiatory venue but as a supplement to all such initiatory venue statutes providing for an auxiliary venue within the confines of a single state. Section 52 of the Judicial Code thus creates an added venue or jurisdiction as to a second defendant in one district provided an action has been properly initiated in another district of the same state against a resident therein. From this interpretation of the interrelating effect of Sections 52 and 48 of the Judicial Code, it is clear that these two statutes are entirely consistent one with the other. In this case there is not the slightest ground for an implied repeal in whole or in part but on the contrary full effect should be given to both statutes.

Prior to the Act of 1897 a defendant in a patent case could be sued for infringement anywhere that he could be found. After that act there is nothing startling in holding that an infringer in a patent case could be sued under the terms of Section 52 of the Judicial Code provided he was a co-defendant with another defendant who did come within the terms of Section 48 of the Judicial Code. Such a holding would be consonant with our generally accepted ideas of reasonable venue and would prevent the patent infringer from having a greater immunity from suit under Section 52 of the Judicial Code than would any other tortfeasor.

The propriety of the suggestion that the operation of Section 52 of the Judicial Code is in accordance with generally accepted views as to the extent of venue and service in Federal District Courts is shown by the fact that the new Federal Rules of Civil Procedure contain in Rule 4 (f) thereof the following:

"All process other than a subpoena may be served anywhere within the territorial limits of the state in which the district court is held and, when a statute of the United States so provides, beyond the territorial limits of that state: * * *"

The policy behind Rule 4 (f) indicates the most modern and thoughtful outlook that if possible, matters that can be determined by the use of process within a single state, even though not within a single District, ought to be determined in a single action. Rule 4 (f) would govern this matter if it were not for Rule 82 of the Federal Rules of Civil Procedure preserving statutory provisions in respect of venue.

The general rules of statutory construction applicable to this case have long been well settled. In *Henderson's Tobacco*, 11 Wallace 652, the Court said at p. 657:

"Where the powers or directions under several acts are such as may well subsist together, an implication of repeal cannot be allowed."

In *Posadas v. National City Bank of New York*, 296 U. S. 497, at pp. 503, 504:

"The cardinal rule is that repeals by implication are not favored. Where there are two acts upon the same subject, effect should be given to both if possible. There are two well-settled categories of repeals by implication: (1) Where provisions in the two acts are in irreconcilable conflict, the later act to the extent of the conflict constitutes an implied repeal of the earlier one; and (2) if the later act covers the whole subject of the earlier one and is clearly intended as a substitute, it will operate similarly as a repeal of the earlier act. But, in either case, the intention of the legislature to repeal must be clear and manifest; otherwise, at least as a general thing, the later act is to be construed as a continuation of, and not a substitute for, the first act and will continue to speak, so far as the two acts are the same, from the time of the first enactment.

"* * * It was not meant by this statement to say, as a casual reading of it might suggest, that the mere

fact that the latter act covers the whole subject and embraces new provisions demonstrates an intention completely to substitute the latter act for the first. This is made apparent by the decision in *Henderson's Tobacco*, 11 Wall, 652, 657, 20 L. Ed. 235, * * *

As above shown in this brief it is impossible to hold here that the Act of March 3, 1897 (Section 48 of the Judicial Code) is a complete substitution of that act for the earlier act carried into Section 52 of the Judicial Code. As a result, no implied repeal of Section 52 by the enactment of Section 48 of the Judicial Code can be found.

In this brief our effort has been to present the relevant legislative history, cases and legal considerations and clear the way, in any degree we were able, to a correct decision. In doing so we desire not to have arrogated to ourselves any thought that we could add considerably to Judge Maris' able opinion in this case in the Circuit Court of Appeals for the Third Circuit. We submit that his opinion shows mastery of what is involved in this case and his conclusion and his bases for it find an immediately and intellectually congenial response in our sense of justice; in fewer words, his decision hits the mark.

Respectfully submitted,

ISAAC J. SEIN,

Attorney for Respondent-Appellee.

SUPREME COURT OF THE UNITED STATES.

No. 321.—OCTOBER TERM, 1941.

Stonite Products Company, Petitioner, vs. The Melvin Lloyd Company, and J. A. Zurn Mfg. Company.	}	On Writ of Certiorari to the United States Circuit Court of Appeals for the Third Circuit.
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[March 9, 1942.]

Mr. Justice MURPHY delivered the opinion of the Court.

The only question presented for our determination is whether Section 48 of the Judicial Code (28 U. S. C. § 109) is the sole provision governing the venue of patent infringement litigation or whether that section is supplemented by Section 52 of the Judicial Code (28 U. S. C. § 113). Section 48 gives jurisdiction of suits for patent infringement to the United States district courts in the district of which the defendant is an inhabitant or in any district in which the defendant shall have committed acts of infringement and have a regular and established place of business. Section 52 permits suits, not of a local nature, against two or more defendants residing in different judicial districts within the same state to be brought in either district.¹

¹ Section 48 provides:

"In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such a suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought."

Section 52 provides:

"When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant

Petitioner, Stonite Products Company, an inhabitant of the Eastern District of Pennsylvania without a regular and established place of business in the Western District of that State, was sued jointly with Lowe Supply Company, an inhabitant of the Western District, in the Western District for infringement of Patent No. 1,777,759 for a boiler stand. Petitioner was served with process in the Eastern District, entered a special appearance in the action in the Western District, and moved to dismiss or quash the return of service because venue was laid in the wrong district. The district court granted the motion and dismissed the cause as to petitioner.² 36 F. Supp. 29. The Circuit Court of Appeals reversed. 119 F. 2d 883. We granted certiorari because of an asserted conflict with *Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 F. 2d 236 (C. C. A. 9).

We hold that Section 48 is the exclusive provision controlling venue in patent infringement proceedings.

Section 48 is derived from the Act of March 3, 1897, c. 395, 29 Stat. 695, and its scope can best be determined from an examination of the reasons for its enactment.

Section 11 of the Judiciary Act of September 24, 1789, c. 20, 1 Stat. 79, permitted civil suits to be brought in the federal courts against a person only in the district of which he was an inhabitant or in which he was found at the time of serving the writ. That section applied to suits for patent infringement. *Chaffee v. Hayward*, 20 How. 208, 216; *Allen v. Blunt*, 1 Blatchf. 408, Fed. Cas. No. 215. The Act of March 3, 1875, c. 137, 18 Stat. 470, retained the provision allowing suit wherever the defendant could be found. The abuses engendered by this extensive venue prompted the Act of March 3, 1887, c. 373, 24 Stat. 552, which, as amended by the Act of August 13, 1888, c. 866, 25 Stat. 433, permitted civil suits to be instituted only in the district of which the defendant was an inhabitant, except that in diversity jurisdiction cases suit could be started in the district of the plaintiff's or the defendant's resi-

desides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State."

² Lowe Supply Company defaulted and the suit proceeded to judgment against it.

dence. The substance of those provisions was reenacted as Section 51 of the Judicial Code (28 U. S. C. § 112).

After the holding of *In re Hohorst*, 150 U. S. 653, that the Act of 1887 as amended did not apply to a suit against an alien or a foreign corporation "especially in a suit for the infringement of a patent right", the lower federal courts became uncertain as to the applicability of the Act of 1887 to patent infringement proceedings.³ In explanation of *Hohorst's* case it was said in *In re Keasbey & Mattison Co.*, 160 U. S. 221, 230, that "It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the Circuit Courts of the United States . . . ; and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several States". Thereafter the lower federal courts for the most part took the position that the Act of 1887 as amended did not apply to suits for patent infringement, and that infringers could be sued wherever they could be found.⁴

The Act of 1897 was adopted to define the exact jurisdiction of the federal courts in actions to enforce patent rights and thus eliminate the uncertainty produced by the conflicting decisions on the applicability of the Act of 1887 as amended to such litigation.⁵ That purpose indicates that Congress did not intend the

³ Prior to the *Hohorst* case the lower federal courts seem to have been unanimous in assuming that the Act of 1887 as amended governed patent infringement litigation. See *Reinstadler v. Reeves*, 33 F. 308; *Miller-Magee Co. v. Carpenter*, 34 F. 433; *Halstead v. Manning, Bowman & Co.*, 34 F. 565; *Gormully & Jeffrey Manuf'g Co. v. Pope Manuf'g Co.*, 34 F. 818; *Preston v. Fire-Extinguisher Manuf'g Co.*, 36 F. 721; *Adrianne, Platt & Co. v. McCormick Harvesting Mach. Co.*, 55 F. 287; *National Typewriter Co. v. Pope Manuf'g Co.*, 56 F. 849; *Bicycle Stepladder Co. v. Gordon*, 57 F. 529; *Cramer v. Singer Manuf'g Co.*, 59 F. 74.

After the *Hohorst* decision conflict developed. *Union Switch & Signal Co. v. Hall Signal Co.*, 65 F. 625, relying on *Galveston & Co. Railway v. Gonzales*, 151 U. S. 496, interpreted *In re Hohorst* as limited to infringement suits against aliens or foreign corporations. Accord, *Donnelly v. United States Cordage Co.*, 66 F. 613. Contra, *Smith v. Sargent Manuf'g Co.*, 62 F. 801.

⁴ *National Button Works v. Wade*, 72 F. 298; *Noonan v. Chester Park Athletic Club Co.*, 75 F. 334; *Earl v. Southern Pac. Co.*, 75 F. 609; *Westinghouse Air-Brake Co. v. Great Northern Ry. Co.*, 88 F. 258. Contra, *Gorham Manuf'g Co. v. Watson*, 74 F. 418.

⁵ See H. Rpt. No. 2905, 54th Cong., 2d Sess.

The remarks of Mr. Mitchell who reported the bill for the House Committee on Patents are significant (29 Cong. Rec. 1900-1901):

Mr. Speaker, the necessity for this law grows out of the acts of 1887 and 1888 which amended the judiciary act. Conflicting decisions have even arisen in the different districts in the same States as to the construction of these acts of 1887 and 1888, and there is great uncertainty throughout the country as to

Act of 1897 to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings.

Section 52 is derived from R. S. § 740, which in turn stems from the Act of May 4, 1858, c. 27, 11 Stat. 272, a general act intended to do away with the insertion of special provisions preserving state-wide venue in acts dividing a state into two or more judicial districts,⁶ and the Act of February 24, 1863, c. 54, § 9, 12 Stat. 662. Respondents insist that Section 52 applies to patent infringement suits because it antedates Section 48, excludes from its purview only suits of a local nature, and is consistent with and complementary to Section 48 since it deals with the problem of venue in the geographical sense rather than in terms of specified classes of litigation. We cannot agree.

Even assuming that R. S. § 740 covered patent litigation prior to the Act of 1897, we do not think that its application survived the Act, which was intended to define the exact limits of venue in patent infringement suits.⁷ Furthermore, the Act of 1897 was a restrictive measure, limiting a prior, broader venue. *General*

whether or not the act of 1887 as amended by the act of 1888 applied to patent cases at all.

"The bill is intended to remove this uncertainty and to define the exact jurisdiction of the circuit courts in these matters.

"The committee have been extremely careful in the investigation of the matter before reporting the bill.

"As the bill was referred to me, I wrote to a great many patent lawyers in different parts of the country, in order to get their views and objections, if any, and I find that they are all unanimously in favor of the bill as it is now reported, and state that it would tend not only to define the jurisdiction of the circuit courts not now defined, but also limit that jurisdiction and so clearly define it that in the future there will be no question with regard to the application of the acts of 1887 and 1888.

"The trouble has arisen in this matter that under the act of 1888 some of the courts were uncertain whether or not the law did or did not apply to patent cases, and therefore this special bill relating to patents solely has been brought up because of the indefiniteness and uncertainty arising from different constructions of the act of 1888 as applied to patent cases."

⁶ See the remarks of Senator Pugh who reported the bill for the Senate Judiciary Committee. 36 Cong. Globe 936, 35th Cong., 1st Sess.

⁷ As a matter of fact there was some uncertainty as to whether R. S. § 740 survived the general venue provisions of the Acts of 1875 and 1887. See *Greeley v. Lowe*, 155 U. S. 58, 72; *Petri v. Creelman Lumber Co.*, 199 U. S. 487, 497; *Camp v. Gress*, 250 U. S. 308, 315. It was held that it did in *East Tennessee, V. & G. R. Co. v. Atlanta & F. R. Co.*, 49 F. 608; *Goddard v. Mailler*, 80 F. 422; and *Doscher v. United States Pipe Line Co.*, 185 F. 959. But compare *New Jersey Steel & Iron Co. v. Chormann*, 105 F. 532, and *Seybert v. Shamokin & Mt. C. Electric Ry. Co.*, 110 F. 810.

Elec. Co. v. Marvel Co., 287 U. S. 430, 434-435; *Bowers v. Atlantic, G. & P. Co.*, 104 F. 887; *Cheatham Electric Switching D. Co. v. Transit D. Co.*, 191 F. 727.⁸ Thus there is little reason to assume that Congress intended to authorize suits in districts other than those mentioned in that Act.

The reenactment of the Act of 1897 as Section 48, and of R. S. § 740 as Section 52 of the Judicial Code by the Act of March 3, 1911, c. 231, 36 Stat. 1100-1101, is not indicative of any Congressional understanding that the two sections are complementary. Quite the contrary, for Section 52 appears in the Judicial Code as an exception to Section 51, the general venue provision derived from the Act of 1887, as amended. See *Camp v. Gress*, 259 U. S. 308, 315. Section 51 is, of course, not applicable to patent infringement proceedings. *General Elec. Co. v. Marvel Co.*, *supra*.⁹ Since Section 48 is wholly independent of Section 51, there is an element of incongruity in attempting to supplement Section 48 by resort to Section 52, an exception to the provisions of Section 51. Cf. *Connecticut Fire Ins. Co. v. Lake Transfer Corp.*, 74 F. 2d 258.

Reversed.

A true copy.

Test:

Clerk, Supreme Court, U. S.

⁸ *Zell v. Erie Bronze Co.*, 273 F. 833, is to the contrary but apparently overlooks the trend of the lower federal courts after *In re Keasbey & Mattinson*, 160 U. S. 221, was decided. See note 4, ante.

⁹ This is apparent from the legislative history of the Act of 1897 from which Section 48 is derived. See note 5, ante.

Section 51 is likewise inapplicable to suits for copyright infringement. *Lumiere v. Wilder, Inc.*, 261 U. S. 174.